



Competency-Based  
Competitive Events  
\*Written Exam\*

2020 HS ICDC  
Booklet Number \_\_\_\_\_

# Business Management and Administration Cluster Exam

BLTDM - Business Law and Ethics Team Decision Making Event

HRM – Human Resources Management Series Event

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

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1. To follow the spirit of the law, it is important to understand the \_\_\_\_\_ of that law.
  - A. intention
  - B. literal meaning
  - C. consequences
  - D. history
2. You are a business owner who would like to get involved in international trade. You decide to export your merchandise. Which of the following should be the first step of your export process:
  - A. Find an international banking partner so you are paid for your goods
  - B. Prepare the merchandise for shipping by choosing a freight forwarder
  - C. Complete the necessary export documentation and paperwork
  - D. Become familiar with the regulations of relevant federal agencies
3. Two businesspeople involved in a dispute have decided to reach a settlement. Even though this legal issue has been resolved, it is possible to invalidate the settlement agreement by
  - A. hiring a different attorney.
  - B. breaching a confidentiality clause.
  - C. relocating out of state/province.
  - D. submitting a cease-and-desist order.
4. Which of the following might occur during the litigation process:
  - A. Jury selection
  - B. Arbitration
  - C. Online dispute resolution
  - D. Attorney recertification
5. One advantage of mediation is that it often is not as \_\_\_\_\_ as litigation.
  - A. hostile
  - B. flexible
  - C. personal
  - D. necessary
6. When writing a report, how can anticipating counterarguments strengthen your argument?
  - A. You can plan the most effective way to respond to a counterargument.
  - B. Identifying every possible counterargument adds credibility to your message.
  - C. You can prove that a counterargument is silly, wrong, and implausible.
  - D. Anticipating counterarguments makes it easier to read your report aloud.
7. The average household spends 10% of its income on food, 27% on housing, 13% on transportation, 7% on health care, 3% on clothing, 2% on education, and 38% on miscellaneous other expenses. Which of the following graphic aids would be most appropriate for depicting this information:
  - A. Line chart
  - B. Bar graph
  - C. Word cloud
  - D. Pie chart
8. Rodney is preparing an email for customers to persuade them to make repeat purchases. When writing his message, Rodney should
  - A. focus strictly on reason with lots of detailed facts.
  - B. develop a subject line that states how the customers would benefit.
  - C. put the most important part of his message in the middle of the email.
  - D. use as many complex technical terms as possible.
9. Josie wrote an analytical report that included a section about how she researched her topic and used her research findings in her report. In other words, Josie included a(n) \_\_\_\_\_ section.
  - A. conclusion
  - B. methodology
  - C. findings
  - D. introduction
10. A business is always truthful when communicating with its employees and customers. Which ethical principle is this business focusing on?
  - A. Transparency
  - B. Accountability
  - C. Rule of law
  - D. Viability

11. Which of the following is an effective way for employees to use the Internet to help reinforce their employers' brand and goals:
  - A. Post embarrassing stories about their employers on job listing sites
  - B. Avoid mentioning their employers on their personal social media accounts
  - C. Write bad reviews of their employers on job listing sites
  - D. Share company news and updates on their personal social media accounts
12. A company's brand promise should emphasize what makes the company unique and focus on
  - A. feelings and benefits.
  - B. features and product descriptions.
  - C. feelings and product descriptions.
  - D. features and benefits.
13. Most large companies collect big data about customers via mobile apps, website cookies, and customer loyalty cards. Why is this collection of big data viewed as unethical by many people?
  - A. Businesses usually give their customers certain options in how their information will be used.
  - B. Businesses that collect big data are able to help customers discover new products that they'd like.
  - C. Customers may be unaware that they are providing businesses with information about themselves.
  - D. Customers trust businesses that keep their promises and provide quality goods and services.
14. Which of the following is an example of place utility:
  - A. A video game is updated to add six new levels.
  - B. A tropical beach resort sells sunscreen and hats.
  - C. A nail salon offers free soft drinks to customers.
  - D. A department store lowers the price of winter coats.
15. What should you include in the conclusion section of a research report?
  - A. A detailed analysis of your argument
  - B. Reasons why your research findings are significant
  - C. New information to make your argument stronger
  - D. Background information about your topic
16. Charlie's family could not afford to pay for his college tuition, so when he graduated high school, he was not able to get a job that paid more than minimum wage. Val's family, on the other hand, is wealthy and paid for her to attend college. She was able to earn a degree and get a well-paying job. This is an example of
  - A. freedom in the marketplace.
  - B. supply and demand.
  - C. limited government control in the private enterprise system.
  - D. a weakness of the private enterprise system.
17. Despite rising inflation levels, the cost of televisions has gone down since they were first introduced to the market. That's because inflation
  - A. usually impacts the price of electronics the most.
  - B. generally does not impact the cost of electronics.
  - C. only applies to services, not consumer products.
  - D. is a general trend; some product prices do not go up.
18. Which of the following is an advantage of a strong U.S. dollar:
  - A. Makes U.S. businesses more competitive in foreign markets
  - B. Decreases consumer confidence in U.S. economy
  - C. Boosts global perception of U.S. financial health
  - D. Benefits U.S. tourism by attracting foreign travelers
19. Which of the following personal traits help an employee take initiative when completing a complex task:
  - A. Shyness
  - B. Self-confidence
  - C. Honesty
  - D. Anxiousness

20. Bill has never traveled outside of his country before, so when he signs up to study abroad, he is unsure of what to expect. Bill's situation is ambiguous because it includes
- A. insolubility.
  - B. complexity.
  - C. novelty.
  - D. tolerance.
21. Which of the following is a secondary dimension of diversity:
- A. Date of birth
  - B. Race/Ethnicity
  - C. Age
  - D. Work experience
22. How can a business benefit from increased employee collaboration?
- A. More company morale problems
  - B. Lower employee salaries
  - C. Better employee performance
  - D. Elimination of disagreements
23. Which of the following is the most effective way for an employer to help reduce employees' stress:
- A. Hold group meetings to discuss stressors
  - B. Encourage frequent work breaks
  - C. Require participation in a wellness program
  - D. Insist that employees follow a strict schedule
24. Which of the following is an example of intrinsic motivation:
- A. Working overtime to pay your bills
  - B. Taking on extra work because you like it
  - C. Getting a promotion and a sizable raise
  - D. Starting work early so that you can leave early
25. When setting goals with a coachee, it's important for the coach to
- A. help the coachee decide on her/his goals.
  - B. determine which goals need to be set.
  - C. set very challenging goals for the coachee.
  - D. share his/her own personal life goals.
26. Which of the following is a characteristic of a laissez-faire manager:
- A. Providing only general guidance
  - B. Holding frequent meetings with staff
  - C. Giving very specific instructions to employees
  - D. Seeking input from workers
27. When developing a personal budget, which of the following is typically a variable expense:
- A. Car payments
  - B. Grocery bills
  - C. Rent payments
  - D. Cell phone bills
28. Dorian owes \$5,000 on his credit card with an annual percentage rate of 12%. The credit card company charges interest on a monthly basis. How much of Dorian's next monthly payment will go toward interest?
- A. \$50
  - B. \$164
  - C. \$49
  - D. \$16
29. Which of the following is most likely to be a breach of fiduciary duty:
- A. Failing to disclose a conflict of interest
  - B. Obtaining permission to share confidential information
  - C. Acting in the best interests of the client
  - D. Providing investment advice to the client
30. Lufti is interested in finding out how much his business spent last year on expenses such as employee wages, advertising, insurance, utilities, and rent. Where should Lufti look on his income statement to find this information?
- A. Revenue
  - B. Cost of goods sold
  - C. Operating expenses
  - D. Gross profit

31. Jordan's business was highly successful last year. This year, he plans to introduce a new product line that he is certain will make his business even more profitable in the future. His financial advisor, Anna, has cautioned against taking such action because experts predict that the economy will enter a recession in the coming months. Even though Anna has warned him that expanding his business now is probably going to result in financial loss versus gain, Jordan has decided to move forward with his plans. What is most likely to be causing Jordan to make a decision that could harm his company?
- A. Incrementalism
  - B. Overconfidence
  - C. Self-interest
  - D. Framing
32. Frankie used her business's most recent cash-flow statement to determine how much money the business had left over after subtracting its capital expenditures from its operating cash flow. What did Frankie calculate?
- A. Profit
  - B. Working capital
  - C. Amortization
  - D. Free cash flow
33. Aria is writing down her famous chocolate-chip cookie recipe to give to her friends. Aria is
- A. sharing explicit knowledge.
  - B. practicing information management.
  - C. gathering data.
  - D. demonstrating tacit knowledge.
34. Which of the following is an example of a knowledge base:
- A. A chain of emails
  - B. Knowledge maps
  - C. A work breakdown structure
  - D. Customer profiles
35. Because knowledge resides in people's minds, it requires
- A. strict regulations.
  - B. advanced technology.
  - C. human contribution and communication.
  - D. limited personal involvement.
36. Technological tools like email, forums, e-newsletters, and instant messaging are crucial for effective knowledge management because they
- A. facilitate ongoing communication.
  - B. eliminate the need for customer input.
  - C. decrease interdepartmental interaction.
  - D. increase repetition of messaging.
37. When Raegan used a copyrighted image in her company's logo, she didn't realize she was doing anything wrong. According to the law, Raegan isn't allowed to claim a copyrighted image as her own by using it in her company's logo. That's because the copyrighted image is someone else's
- A. intellectual property.
  - B. tangible asset.
  - C. trade secret.
  - D. industrial property.
38. Miranda is a human resources staff member at a large company. She is responsible for conducting the exit interviews for employees leaving the company. After each exit interview, what should Miranda make sure to do?
- A. Explain why leaving the company is not encouraged
  - B. Share data and knowledge with management
  - C. Send exit interview responses to her peers
  - D. Ask the employee to leave for security purposes
39. Knowledge management is important for business success, but it is often limited by \_\_\_\_\_ team members.
- A. collaborative
  - B. gossipy
  - C. unmotivated
  - D. specialist
40. To be successful, marketers must be familiar with the marketing concept. This concept is based on the belief that businesses should
- A. protect the company image at all costs.
  - B. increase their advertising budget year over year.
  - C. donate a percentage of profits to local charities.
  - D. focus on fulfilling customer needs and wants.

41. Should companies use technology obsolescence to improve digital security?
- A. Yes. Technology obsolescence helps protect against cyber criminals.
  - B. No. Technology obsolescence impacts customers, not companies.
  - C. No. Technology obsolescence can negatively impact data security.
  - D. Yes. Technology obsolescence gives companies updated software.
42. One example of a challenge to information management is
- A. information overload.
  - B. information scarcity.
  - C. a universal approach.
  - D. business stagnation.
43. To help predict potential risks and areas for improvement, project managers often select software with a \_\_\_\_\_ function.
- A. forecasting
  - B. scheduling
  - C. document sharing
  - D. internal messaging
44. A local grocery store encourages its customers to sign up for its free loyalty cards. Based on the data it collects from the cards, the grocery store makes decisions about what items to put on sale and when. This is an example of a data \_\_\_\_\_ strategy.
- A. encryption
  - B. mining
  - C. breach
  - D. advertising
45. When changing data, it is important to
- A. make identical changes in all locations.
  - B. erase all previous data.
  - C. send a memo to all company employees.
  - D. make changes quickly.
46. Tanya, the manager of a local business, suspects one of her employees is stealing from the company. She thinks she knows who it is, but she wants to see if this person has had any previous violations documented by the company. What type of internal record should Tanya review?
- A. Production quality
  - B. Financial
  - C. Inventory
  - D. Human resources
47. Which of the following types of regulations have a direct impact on operations management:
- A. Environmental, employment and labor, insurance
  - B. Advertising, environmental, antitrust
  - C. Antitrust, tax codes, employment and labor
  - D. Privacy, antitrust, employment and labor
48. Placing a security camera at each cash register, implementing an inventory management system, and conducting background checks are all methods for protecting against theft by
- A. upper management.
  - B. organized retail crime.
  - C. shoplifters.
  - D. employees.
49. Creating a list of assignments, breaking assignments down into smaller tasks, and staying focused on one task at a time are all strategies for
- A. multitasking.
  - B. organizing work tasks.
  - C. "managing up."
  - D. delegating work tasks.
50. Which of the following is a strategy for developing strong and effective teams:
- A. Ensuring that team members are all alike
  - B. Limiting feedback given by team members
  - C. Assigning tasks based on individual strengths
  - D. Allowing each member to set her/his own goals
51. Creating clear task descriptions, developing task lists, and setting clear performance goals are all strategies for managers to
- A. maximize employee productivity.
  - B. use technology to monitor employees.
  - C. discipline under-performing staff.
  - D. participate in active listening.

52. Eliminating supervisors and empowering employees to make decisions about their own work is one way to
- A. negotiate employee benefits.
  - B. determine organizational goals.
  - C. streamline work processes.
  - D. adapt to environmental risks.
53. Which of the following is a true statement about streamlining work processes:
- A. Increasing process efficiency increases the carbon footprint.
  - B. Increasing process flow time decreases customer wait time.
  - C. Decreasing process efficiency increases product revenues.
  - D. Decreasing process flow time increases process efficiency.
54. An apartment management firm plans to open a new building in time for college students to lease it for the upcoming year. This is an example of how
- A. project planning keeps the focus on the overall goal.
  - B. a project's team members impact project planning.
  - C. the business environment can affect project planning.
  - D. defining scope is the most important aspect of planning.
55. Neil is a project manager working in the technology industry, which changes rapidly and is difficult to predict. Neil should consider using
- A. an adaptive project life cycle.
  - B. a predictive project life cycle.
  - C. product-oriented processes.
  - D. a dedicated project team.
56. Which of the following is a tactic for protecting trade secrets, proprietary information, and sensitive data while also maintaining open lines of communication with a supplier:
- A. Asking the supplier to sign nondisclosure agreements
  - B. Gathering damaging information on the supplier as leverage
  - C. Testing supplier trustworthiness by providing provocative false information
  - D. Insisting that the supplier share all of its information first
57. What type of purchase order do businesses use for recurring purchases from the same supplier in which the purchased item and price are set, but the quantity and delivery schedule may vary?
- A. Standard purchase order
  - B. Blanket purchase order
  - C. Planned purchase order
  - D. Contract purchase order
58. Steel, corn, and lumber are all examples of
- A. finished goods.
  - B. raw materials.
  - C. work in process.
  - D. discretionary items.
59. Because raw materials are sometimes delayed in delivery, many companies keep \_\_\_\_\_ inventory on hand.
- A. intangible
  - B. anticipatory
  - C. MRO goods
  - D. buffer
60. Which of the following is a benefit of remaining truthful while negotiating with a vendor:
- A. Long-term relationships based on trust can be beneficial for both parties.
  - B. Telling the whole truth eliminates the other party's leverage and bargaining power.
  - C. Telling the whole truth usually means the other party will tell the whole truth.
  - D. Long-term relationships are more expensive than a series of short contracts with different vendors.
61. Instead of focusing on the manufacturing process, the Taguchi method of quality management focuses on
- A. product research, design, and development.
  - B. analyzing industry competition.
  - C. implementing lean production techniques.
  - D. inventory storage, overprocessing, and overproduction.

62. Supply chain manager Sylvia is looking for a way to reduce the average time that a product sits in inventory storage. Her goal in reducing this time is most likely to be to
- A. increase sales.
  - B. decrease costs.
  - C. improve customer satisfaction.
  - D. improve product quality.
63. MOST, PESTLE, and SWOT are all types of
- A. business analysis techniques.
  - B. standards-setting organizations.
  - C. supply chain management approaches.
  - D. international governing entities.
64. Which of the following is a true statement about process thinking in business:
- A. Process thinking focuses on the end result of an entire series of tasks.
  - B. Process thinking reinforces departmental communication "silos."
  - C. Process thinking reinforces productive competition between departments.
  - D. Process thinking focuses on the tasks performed within a specific department.
65. Business process design contributes to the standardization of work tasks by
- A. inspecting the quality of the final product and locating issues through the process of elimination.
  - B. relying on the experience of veteran employees to ensure that defects are minimized.
  - C. encouraging employees to complete their tasks based on their specific strengths.
  - D. establishing best practices and communicating them throughout the organization.
66. Which of the following is a common critique of business process redesign (BPR):
- A. BPR assumes that processes are the main cause of poor performance.
  - B. BPR focuses too much on employee happiness.
  - C. BPR focuses too much on customer satisfaction.
  - D. BPR assumes that costs are unrelated to efficient production processes.
67. Organizational costs, revenue, and profitability are of limited use in measuring supply chain performance because these measures
- A. tend to work best in certain industries.
  - B. tend to focus on specific units and/or departments.
  - C. are not changed by managerial decision-making.
  - D. can reflect conditions unrelated to performance.
68. Which of the following is a way that radio frequency identification (RFID) has reduced supply chain operating costs:
- A. RFID makes driverless vehicles safer and more reliable.
  - B. RFID provides delivery workers with turn-by-turn directions.
  - C. RFID eliminates the need for time-intensive manual scanning.
  - D. RFID can predict weather events that used to slow logistics.
69. Which of the following statements best describes the difference between a traditional supply chain and a supply chain network (SCN):
- A. A supply chain network includes many more businesses to allow for global distribution.
  - B. A supply chain network uses advanced technology to enhance information sharing.
  - C. A traditional supply chain involves a higher level of interdependence among businesses.
  - D. A traditional supply chain is typically managed by the retail business, not the manufacturer.
70. Which of the following is a reason for a company to locate its manufacturing operations close to its target market:
- A. Shipping costs tend to be lower if a product is manufactured closer to customers.
  - B. Labor costs tend to be lower in areas that have both customers and workers.
  - C. Quality standards are decreased if customers know the laborers personally.
  - D. Packaging costs are greatly reduced in areas where only one language is used.



71. Which of the following is an example of a digital asset that a company might have:
- A. Social media posts
  - B. Computer keyboards and monitors
  - C. Manufacturing equipment
  - D. Company stock
72. To protect against the threat of a cybersecurity breach, every employee in every organization should be trained about \_\_\_\_\_, even employees whose work does not involve confidential information.
- A. workplace safety regulations
  - B. General Data Protection Regulation (GDPR)
  - C. suspicious emails and attachments
  - D. the organization's social media policies
73. In time management, the ABC principle is a strategy for \_\_\_\_\_ goals.
- A. revising
  - B. combining
  - C. developing
  - D. prioritizing
74. Tessa is responsible for recruiting, interviewing, and hiring new employees. What area of business does Tessa work in?
- A. Administrative services
  - B. Human resource management
  - C. General management
  - D. Operations management
75. Which of the following is an operations management career:
- A. Store manager
  - B. Sustainability specialist
  - C. Benefits administrator
  - D. Administrative assistant
76. Raphael has decided to apply to three jobs: one at a university library, one as a server at a restaurant, and one as a lifeguard at his neighborhood pool. To maximize his chances at getting interviews for these jobs, Raphael should
- A. create one combination résumé that lists both previous jobs and skills.
  - B. create one chronological résumé that lists his previous jobs in order.
  - C. create one functional résumé that lists his capabilities, starting with his strongest skills.
  - D. create three different résumés, one for each position.
77. Nico, a member of senior management, is helping his company set high-level organizational goals that focus on the organization as a whole. Nico is helping his company develop \_\_\_\_\_ goals.
- A. strategic
  - B. tactical
  - C. operational
  - D. symbolic
78. Amelia is working on a community garden project. While working, she consults the project charter frequently, because she likes to check
- A. the status reports of ongoing activities.
  - B. the outline and purpose of the project.
  - C. who is responsible for each project activity.
  - D. progress in acquiring necessary resources.
79. Shawn is working on a project but finds himself overwhelmed with everything needed for the project to be successful. Before beginning work, Shawn wants to lay out all project milestones and deliverables. What should Shawn create?
- A. A scope statement
  - B. A statement of work
  - C. A work breakdown structure
  - D. An issue log
80. What common pitfall might project teams encounter when developing a work breakdown structure?
- A. Using the work breakdown structure to replace the project schedule
  - B. Listing all work breakdown structure components as deliverables
  - C. Creating a corresponding work breakdown structure dictionary
  - D. Including all relevant individuals to help develop the work breakdown structure
81. What is the benefit of performing integrated change control?
- A. It allows project documents to change without changing the deliverables and processes.
  - B. It allows all changes to be accepted and carried out.
  - C. It provides the team with areas for improvement.
  - D. It reduces risks that arise from making changes without considering the project as a whole.

82. Which of the following tasks is a project manager typically responsible for:
- A. Determining and communicating the project objectives to clients
  - B. Completing and documenting all of the necessary project work
  - C. Providing direction and coordination to the project team work
  - D. Telling project team members how to complete their activities
83. What is a major difference between the critical path method and the critical chain method for project management?
- A. The critical chain method accounts for total float; the critical path method does not.
  - B. The critical path method includes buffers; the critical chain method does not.
  - C. The critical chain method considers resource constraints; the critical path method does not.
  - D. The critical path method considers uncertainty more than the critical chain method.
84. During the project-closure process group, which of the following should project teams do:
- A. Approve deliverables and sign all project documents
  - B. Celebrate their successful project completion together
  - C. Create issue logs for problems encountered during the project
  - D. Develop a work breakdown structure to show all work completed
85. In the health care industry, the invention of new drugs and new surgical techniques are specific examples of quality
- A. control.
  - B. assurance.
  - C. improvement.
  - D. management.
86. According to the Capability Maturity Model Integration (CMMI) model, the highest level of maturity that an organization can reach is
- A. defined.
  - B. initial.
  - C. managed.
  - D. optimizing.
87. Chris works for a large manufacturing company and is responsible for improving the business's overall quality. After conducting thorough research, Chris decides to use a strategy called Six Sigma. What does Six Sigma involve?
- A. Making corrections until mistakes virtually disappear
  - B. Incorporating acceptance and in-process sampling
  - C. Improving all business operations to meet standards and receive certification
  - D. Reducing the time it takes for products to be developed and distributed
88. Organizations can encourage ethical behavior in their risk management practices by remembering that acting ethically
- A. is easy to do.
  - B. leads to increased profits.
  - C. starts from the top.
  - D. is an internal issue only.
89. Advancements in technology have had big implications for risk management. For example, real-time reporting has helped teams \_\_\_\_\_ the time between when a risk is documented and when the report reaches people who can act on that information.
- A. escalate
  - B. increase
  - C. decrease
  - D. monetize
90. Risk managers should have up-to-date knowledge of laws and regulations because
- A. they serve as leaders of a company's risk retention group.
  - B. a company's risks affect how local laws and regulations are developed.
  - C. most risks cannot be understood without an understanding of the law.
  - D. at least one legal degree is required by law of all risk managers.

91. Lyla is thinking about expanding her business internationally. However, she is worried that \_\_\_\_\_ might negatively affect her ability to compete in a foreign market.
- A. investment returns
  - B. trade barriers
  - C. time horizons
  - D. systematic withdrawals
92. What is typically the first step in the managerial planning process?
- A. Establishing methods to evaluate progress
  - B. Prioritizing projects and tasks
  - C. Developing company goals and objectives
  - D. Identifying necessary tasks
93. A large manufacturing company realizes that it has too many middle managers who are slowing down production. This is an example of which of the following phases of the managerial organizing process:
- A. Delegating authority
  - B. Evaluating results
  - C. Assigning tasks
  - D. Coordinating activities
94. What management function involves activities such as determining that two new employees need to be hired?
- A. Staffing
  - B. Organizing
  - C. Planning
  - D. Controlling
95. A manager is trying to encourage his team to complete a difficult project. He brings in doughnuts and coffee to boost their morale. The manager is
- A. building group dynamics.
  - B. instructing.
  - C. supervising.
  - D. motivating.
96. Which of the following most likely indicates that a manager needs to work on his/her directing abilities:
- A. Communicating regularly
  - B. Adding new staff members
  - C. Meeting goals
  - D. Missing deadlines
97. Renaldo has developed rules for how his employees should clock in and out of a shift. Renaldo has created a \_\_\_\_\_ control.
- A. concurrent
  - B. marketing
  - C. feedback
  - D. feedforward
98. Sam has worked for the same employer for 15 years. During that time, Sam has learned a great deal and developed expertise that enables him to make a significant positive impact on business operations and outcomes. Sam's expertise is a form of
- A. innovation.
  - B. knowledge.
  - C. training.
  - D. recruiting.
99. Which of the following is most likely to be a reason for a company to implement change management processes:
- A. To create a succession plan for the company's top management positions
  - B. To implement a new promotional campaign
  - C. To help employees become more comfortable with an upcoming merger
  - D. To publish the most current year's annual report
100. Which of the following should a business do prior to initiating any significant change:
- A. Recognize staff who have changed successfully
  - B. Measure changes in employee behavior
  - C. Implement corrective action plans
  - D. Develop a project impact assessment



**KEY**

2020 HS ICDC

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HRM – Human Resources Management Series Event

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1. A

Intention. The spirit of the law refers to the intent of the law. It is the social and moral consensus of how to interpret the law. The spirit of the law might go beyond the exact wording. The letter of the law refers to the literal meaning of the law, as it is written, word for word. While it is good to know the consequences and histories of laws, that knowledge is not necessary to follow the spirit of the law.

SOURCE: BL:163

SOURCE: LAP-BL-163—Laying Down the Law (Complying With the Spirit and Intent of Laws and Regulations)

2. D

Become familiar with the regulations of relevant federal agencies. Because different countries have different policies, procedures, and regulations regarding import and export, it is important to conduct research ahead of time to reduce potential issues. Preparing goods for shipping, completing export paperwork, and finding an international bank are all important parts of the export process, but they should occur after preliminary research of export regulations.

SOURCE: BL:145

SOURCE: Shipping Solutions. (2019). *Export procedures and documentation: An in-depth guide—Chapter 1: What is an export?* Retrieved January 6, 2020, from <https://www.shippingsolutions.com/export-documentation-procedure>

3. B

Breaching a confidentiality clause. When two parties decide to reach a settlement agreement, it is possible that they may sign a confidentiality clause. This contract legally binds the signing parties to not disclose certain information. If a confidentiality clause is breached, it is possible that the settlement agreement with which it is associated is then invalidated. A cease-and-desist order is a document sent to an individual or business to stop activity deemed illegal. Hiring a different attorney or relocating out of state/province are not grounds to invalidate a settlement agreement.

SOURCE: BL:159

SOURCE: Miller, R.L. (2020). *Business law today: The essentials* (12th ed.) [p. 175]. Boston, MA: Cengage Learning, Inc.

4. A

Jury selection. Litigation means taking legal action, or resolving a case through the court system. Not all litigation cases require a jury, but for the ones that do, jury selection is an important part of that process. Arbitration is a form of alternative dispute resolution that attempts to settle a dispute out of the litigation system. Online dispute resolution is a low-cost option for those whose issues are not worth the cost of litigation. Attorney recertification is not a recognized term or process.

SOURCE: BL:160

SOURCE: Miller, R.L. (2020). *Business law today: The essentials* (12th ed.) [p. 61]. Boston, MA: Cengage Learning, Inc.

5. A

Hostile. Mediation occurs when a neutral third party acts as a mediator between two parties in disagreement. While the mediator cannot make a decision that resolves the disagreement, s/he can work with both sides to find points of agreement to help provide solution suggestions. This process asks the parties to come together, unlike in litigation, which is often combative and hostile when parties are pitted against each other. Mediation is more flexible than litigation because it does not impose a resolution on both parties. Both mediation and litigation can be personal. The necessity of either mediation or litigation depends on the disagreement.

SOURCE: BL:161

SOURCE: Miller, R.L. (2020). *Business law today: The essentials* (12th ed.) [p. 65]. Boston, MA: Cengage Learning, Inc.

6. A

You can plan the most effective way to respond to a counterargument. By anticipating counterarguments when writing your report, you can determine the most effective way to respond to them. Identifying every possible counterargument doesn't necessarily add credibility to your message or strengthen your argument. Proving that counterarguments are silly, wrong, and implausible does not strengthen your argument; instead, doing so may reflect poorly on you. Anticipating counterarguments doesn't make it easier to read your report aloud.

SOURCE: CO:061

SOURCE: The Writing Center—University of North Carolina. (n.d.) *Argument*. Retrieved December 30, 2019, from <https://writingcenter.unc.edu/tips-and-tools/argument/>

7. D

Pie chart. Graphic aids can be quite useful in communicating data to others. The type of graphic aid to use, however, depends on the nature of those data. A pie chart is most appropriate when showing parts of a whole, such as the elements of a household budget. A bar graph, on the other hand, is most appropriate when comparing different items. Word clouds include text of different sizes, colors, etc. to indicate trends, patterns, or frequencies. A line chart can also be used to indicate trends or changes over time, but they typically present numerical data, not just text.

SOURCE: CO:087

SOURCE: Infogram. (2020). *How to choose the right chart for your data*. Retrieved January 21, 2020, from <https://infogram.com/page/choose-the-right-chart-data-visualization>

8. B

Develop a subject line that states how the customers would benefit. Persuasive messages are intended to change a person's mind or to convince someone to take action. By using a subject line that emphasizes how they could benefit from making repeat purchases, Rodney can capture his customers' attention early on. Readers tend to read and remember the beginning and ending of a message better than they do the information in the middle of the message. While it's important to include some facts in a persuasive message, it's also important to incorporate emotion and generate desire for the product. Likewise, it's wise not to use too much complex technical language in a persuasive message.

SOURCE: CO:031

SOURCE: Ashman, M. (2018). *5.7 persuasive messages*. Retrieved January 21, 2020, from <https://pressbooks.bccampus.ca/professionalcomms/chapter/5-7-persuasive-messages/>

9. B

Methodology. The methodology section of an analytical report typically details how any necessary research was conducted, along with how the research findings were used for the report. The introduction to an analytical report explains the problem or issue being examined in the report. The findings section details key research results and trends seen in the data. An analytical report's conclusion includes a summary of the report and recommendations for approaching and/or solving the problem or issue in question.

SOURCE: CO:185

SOURCE: Duggan, Tara. (n.d.). *Steps to take in writing a recommendation report*. Retrieved January 7, 2020, from <http://work.chron.com/steps-writing-recommendation-report-28828.html>

10. A

Transparency. Transparency is an ethical principle that involves being truthful when communicating. It's important for businesses to be truthful with stakeholders so that they can build trust. Accountability, rule of law, and viability are all important ethical principles that businesses should keep in mind, but they are not shown in this example.

SOURCE: EC:106

SOURCE: LAP-EC-106—On the Up and Up (Business Ethics)

11. D

Share company news and updates on their personal social media accounts. Employees can use the Internet in a number of different ways to reinforce their employers' brand and goals. Some methods for employees to positively impact organizational goals include sharing company news, updates, and job opportunities on their personal media accounts and writing favorable reviews of their employers on job listing sites. Posting bad reviews of and embarrassing stories about employers on job listing sites is likely to hinder organizational goals. If employees don't mention their employers on their personal social media accounts, then they can't help reinforce employers' brand and goals.

SOURCE: CO:205

SOURCE: Lybrand, S. (2018, March 1). *What is employer branding and how can it grow your business?* Retrieved December 30, 2019, from <https://business.linkedin.com/talent-solutions/blog/employer-brand/2018/employer-branding>

12. A

Feelings and benefits. A brand promise is the specific benefit that customers can expect from using a good/service and interacting with a particular company. It connects to customers on an emotional level and gives meaning to the brand. However, a brand promise is usually not stated in words. Therefore, it focuses on feelings and benefits, not features and product descriptions.

SOURCE: CR:001

SOURCE: LAP-CR-006—Share the Promise (Identifying Brand Promise)

13. C

Customers may be unaware that they are providing businesses with information about themselves. Many businesses collect customer information automatically from mobile apps, website cookies, customer loyalty cards, etc. Big data collection becomes an ethical issue if customers don't know that they are providing this information to the businesses and/or if their information is sold to other companies for a profit. There are some benefits to big data, though. For instance, big data allows businesses to help customers discover new products they'll like or to provide them with discounts or notices about special sales. An ethical practice that some businesses follow is to give their customers certain options in how their information will be used. Customers trust ethical businesses that keep their promises and provide quality goods and services.

SOURCE: CR:017

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

14. B

A tropical beach resort sells sunscreen and hats. Place utility exists when goods or services are available at the place where they are needed or wanted by customers. At a Caribbean resort, people are likely to be in need of sunscreen and hats to protect their skin from strong rays. Therefore, these products have place utility. A video game that is updated to add six new levels is an example of form utility. A nail salon offering free soft drinks is an example of task utility. A department store that lowers the price of winter coats is an example of possession utility.

SOURCE: EC:004

SOURCE: LAP-EC-013—Use It (Economic Utility)

15. B

Reasons why your research findings are significant. A research report's conclusion is meant to summarize and reiterate the argument you have been trying to make throughout the report. The conclusion should be general in nature, not detailed, and emphasize why the reader should care about the report. Rather than introducing new information and background information in the conclusion, all information relevant to the research should be introduced in earlier sections.

SOURCE: CO:186

SOURCE: University of Wisconsin. (n.d.) *Writing a research paper*. Retrieved January 7, 2020, from <https://writing.wisc.edu/handbook/assignments/planresearchpaper/>

16. D

A weakness of the private enterprise system. Although private enterprise systems are economically productive, they do have some negative aspects. One of these is that property and income are not equally distributed. The private enterprise system does not always make it easy for people to increase their income, especially if they do not have access to higher education, training, and skills. Charlie's family does not have the money to pay for him to go to college, so it was difficult for him to improve his financial standing. Val, on the other hand, was born into a family with wealth, so it was easier for her to increase her income through education. This is not an example of supply and demand, limited government control in the private enterprise system, or freedom in the marketplace.

SOURCE: EC:009

SOURCE: LAP-EC-015—People Power (The Private Enterprise System)

17. D

Is a general trend; some product prices do not go up. It's important to note that inflation is a *general* trend. The average prices of goods and services in an economy may go up over a certain period of time, but that doesn't mean that the price of each individual product will rise. As a matter of fact, the prices of some products may even go down. For example, some products get cheaper over time as they become more common or are produced more efficiently. Televisions and laptop computers, for instance, are much more affordable now than when they were first introduced to the market. However, since inflation is calculated as an average, these lower prices are not enough to keep the general rate from going up. Inflation impacts the cost of electronics, but it doesn't necessarily impact the price of electronics the most. Inflation generally impacts the cost of consumer products (including electronics) in the same way that it impacts the cost of services.

SOURCE: EC:083

SOURCE: LAP-EC-083—Up, Up, and Away (Inflation)

18. C

Boosts global perception of U.S. financial health. A strong dollar boosts global perception of the U.S.'s financial health because it indicates a strong, stable economy. This increases domestic consumers' confidence as well. A strong dollar does not, however, make U.S. businesses more competitive in foreign markets—or encourage U.S. tourism. In fact, a weak dollar makes U.S. businesses more competitive in foreign markets. When the dollar is worth less than other currencies, U.S. exports are more affordable for foreign consumers, and exports will increase. A weak dollar also benefits U.S. tourism by attracting foreign travelers and encouraging U.S. travelers to spend vacations at home.

SOURCE: EC:100

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

19. B

Self-confidence. People with self-confidence believe in themselves and their abilities, making it is easier for them to complete complex tasks. Being shy, honest, or anxious is not likely to help an employee take initiative when completing a complex task. In fact, being shy or anxious could even hinder a person's ability to take initiative when completing a complex task.

SOURCE: EI:024

SOURCE: LAP-EI-240—Hustle! (Taking Initiative at Work)

20. C

Novelty. Novelty means that the situation is new or unknown. International travel is a novelty to Bill because he has never done it before. Complexity and insolubility are both factors that make a situation ambiguous, but they are not being described in this situation. Tolerance is the capacity to accept deviation from the norm. It is important to tolerate ambiguity, but tolerance itself does not necessarily make a situation ambiguous.

SOURCE: EI:092

SOURCE: LAP-EI-092—Embrace the Unknown (Developing a Tolerance for Ambiguity)



21. D

Work experience. All the ways in which people differ are known as diversity. Primary dimensions of diversity are those inborn differences that cannot be changed, such as age, race/ethnicity, nationality, sexual orientation, certain physical and mental traits and abilities, and date and place of birth. Secondary dimensions of diversity are those characteristics that may change throughout one's lifetime. Examples include differences in language, religion, income, geographic location, family status, work experience, communication style, and education level.

SOURCE: EI:033

SOURCE: LAP-EI-033—Getting To Know You (Cultural Sensitivity)

22. C

Better employee performance. When employees collaborate with each other, they work to each other's strengths and improve morale among employees. As a result, those employees are likely to perform better than workers who complete their tasks in isolation of each other. There's not a correlation between increased employee collaboration and lower employee salaries. While employee collaboration may reduce the number of disagreements among employees, it isn't likely to eliminate disagreements completely.

SOURCE: EI:130

SOURCE: LAP-EI-130—Genius Is a Team Sport (Collaborating With Others)

23. B

Encourage frequent work breaks. Frequent breaks help employees to break up the day and refresh their minds and bodies. Although offering a wellness program to employees may help them relieve stress, requiring participation in such programs could result in more tension and stress in the workplace, not less. Even though stress education classes can help reduce stress, group meetings intended to discuss stressors are not as likely to reduce stress as frequent breaks do. One way for employers to help reduce employees' stress is to create flexible schedules that include leave time, flextime, long lunch breaks, etc.—rather than insist that employees follow strict schedules.

SOURCE: EI:028

SOURCE: LAP-EI-025—Keep Your Cool (Stress Management)

24. B

Taking on extra work because you like it. Intrinsic motivation is motivation that comes from within an individual and drives people to engage in a behavior because it is personally rewarding. Taking on extra work because you like it, for instance, is a form of intrinsic motivation. Extrinsic motivation, on the other hand, is motivation that comes from outside an individual and his/her work or task. Examples of extrinsic motivation include earning overtime, getting a promotion and a sizable raise, and starting work early so that you can leave work early that day.

SOURCE: EI:059

SOURCE: LAP-EI-059—Raise Them Up (Motivating Others)

25. A

Help the coachee decide on her/his goals. It's important for a coach to work with the coachee to determine goals because the coachee will be more motivated if s/he helped set the goals. A coach should not simply determine goals for a coachee. If the goals are too challenging, the coachee may become discouraged. If a coach shares his/her own personal life goals, it takes the focus off the coachee and what s/he needs to accomplish.

SOURCE: EI:041

SOURCE: LAP-EI-041—Bring Out the Best (Coaching Others)

26. A

Providing only general guidance. A laissez-faire manager typically takes a hands-off approach to managing employees. Laissez-faire managers generally only provide general guidance and allow employees to be creative. Democratic managers, who exercise only a moderate degree of control over their employees, hold frequent meetings with their staff and seek input from workers before making significant decisions. Authoritarian managers prefer to maintain a high degree of control over their employees and generally give very specific instructions to employees.

SOURCE: EI:037

SOURCE: LAP-EI-037—Can You Relate? (Fostering Positive Working Relationships)

27. B

Grocery bills. Developing a personal budget involves considering two types of expenses: fixed and variable. Fixed expenses do not change from month to month. Examples of fixed expenses include car payments, rent, mortgage payments, and cell phone bills. Variable expenses, on the other hand, are costs that fluctuate rather than remaining the same from month to month. Examples of variable expenses, also known as discretionary spending, are grocery bills and entertainment costs.

SOURCE: FI:066

SOURCE: Paint, P. (2020, January 11). *What's the difference between fixed and variable expenses?* Retrieved January 20, 2020, from <https://www.thebalance.com/what-s-the-difference-between-fixed-and-variable-expenses-453774>

28. A

\$50. To determine how much of his monthly payment will go toward interest, Dorian should first divide the annual percentage rate by 12 to find the monthly interest rate ( $12\% / 12 = 1\%$ ). Assuming that the credit card company charges Dorian interest on a monthly—rather than daily—basis, he should multiply the monthly interest rate by his account balance to find how much he will spend on interest when he makes his next credit card payment ( $1\% \times \$5000 = \$50$ ).

SOURCE: FI:782

SOURCE: Pritchard, J. (2019, December 6). *Calculate credit card payments and costs*. Retrieved January 21, 2020, from <https://www.thebalance.com/calculate-credit-card-payments-and-costs-315644>

29. A

Failing to disclose a conflict of interest. Accountants are considered to be fiduciaries for their clients when they provide expert advice and/or manage a client's assets or business. A fiduciary has a legal obligation to act in the best interests of his/her client. That means that fiduciaries have a duty to be objective, truthful, and free of conflicts of interest. A conflict of interest is a situation in which it is impossible to be truly impartial. If an accountant fails to disclose a conflict of interest to his/her client, then s/he has committed a breach of fiduciary duty. Sharing confidential information without the client's permission is a breach of fiduciary duty.

SOURCE: FI:353

SOURCE: Cutler, C.M., & Arnold, T. (2016-2019). *Chapter 7: Breach of fiduciary duty*. Retrieved January 22, 2020, from [https://legacy.pli.edu/product\\_files/Titles%2F2%2F%23240114\\_07\\_Accountants\\_Liability\\_P2\\_20190129112831.pdf](https://legacy.pli.edu/product_files/Titles%2F2%2F%23240114_07_Accountants_Liability_P2_20190129112831.pdf)

30. C

Operating expenses. An income statement is a summary of a business's income and expenses over a period of time, usually one year. Income statements typically have at least five main categories. One of these five categories is operating expenses, which are expenses incurred in running a business. Examples of operating expenses include wages/salaries, advertising, insurance, utilities, mortgage or rent, administrative costs, and interest paid on outstanding loans. Revenue is the total amount of money earned by a business. Cost of goods sold, also known as cost of sales, encompasses all of the direct costs to obtain and/or produce the goods or services that a business sells. Examples of these costs include raw materials, packaging, shipping, supplies, etc. Gross profit is a company's revenue after subtracting the cost of goods sold. Net income is the money remaining after operating expenses are subtracted from gross profit.

SOURCE: FI:094

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

31. B

Overconfidence. Several things can cause business professionals to make poor, unethical decisions. Overconfidence is one factor that can affect a person's ability to make the right decision. Overconfident executives such as Jordan are often so sure of themselves that they can't see the risks involved in making one decisions versus another, even when their colleagues warn them of possible negative consequences of their actions. Incrementalism is the diminishing of ethical values over time. Self-interest involves looking out for your own well-being, rather than making the ethical, right choice for the company and its employees. Framing is a tendency to respond to situations based on how those situations are posed or viewed.

SOURCE: FI:355

SOURCE: LAP-FI-355—Money Morals (The Role of Ethics in Finance)

32. D

Free cash flow. Free cash flow is an indication of how efficient a company is at generating cash. Although not always the case, high free cash flow can signal that the company is growing, while a negative free cash flow can be a sign that the company is suffering financially. Free cash flow is determined by subtracting capital expenditures from operating cash flow. To determine a business's working capital, subtract current liabilities from current assets. Amortization is used by accountants to lower the value of a loan over time. Profit is the reward a business receives for taking the risk involved in investing in a business, or the income that is left once all expenses are paid.

SOURCE: FI:541

SOURCE: Murphy, C. (2019, June 25). *What is the formula for calculating free cash flow?* Retrieved January 22, 2020, from <https://www.investopedia.com/ask/answers/033015/what-formula-calculating-free-cash-flow.asp>

33. A

Sharing explicit knowledge. Explicit knowledge is knowledge that can be easily communicated to others or readily captured and stored in some type of document or database. Because Aria is writing down instructions so her friends learn how to make her cookies, she is sharing explicit knowledge. Aria is not practicing information management, gathering data, or demonstrating tacit knowledge in this situation.

SOURCE: KM:001

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

34. D

Customer profiles. A knowledge base is a place that can be used to store and organize knowledge. One example is a customer profile. Customer profiles can be used to store and access knowledge about individual customers. Knowledge maps are tools that help navigate knowledge bases, but they are not themselves knowledge bases. A work breakdown structure is a project management tool that is not related to knowledge bases. A chain of emails is not necessarily a knowledge base because it is not a place to store and organize knowledge.

SOURCE: KM:001

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

35. C  
Human contribution and communication. Knowledge is the intangible combination of human experiences, insights, and intuitions that provide structure for interpreting and reacting to the world around you. It resides in people's minds, so it requires human contribution and communication. Knowledge management sometimes includes advanced technology, but that is not because it resides in people's minds. Knowledge does not necessarily require strict regulations or limited personal involvement.  
SOURCE: KM:002  
SOURCE: LAP-KM-002—Know What's Right (Ethics in Knowledge Management)
36. A  
Facilitate ongoing communication. Tools like email, forums, e-newsletters, and instant messaging are useful in keeping communication lines open to facilitate knowledge management because they allow for continuous and fast communication. These tools do not eliminate need for customer input and instead often interpret and use this input. With these tools, communication between departments is increased as they work together to put gathered knowledge to good use. Because of the convenience of these communication tools, messaging is streamlined and repetition and redundancy are decreased.  
SOURCE: KM:003  
SOURCE: Kokemuller, N. (2019). *How technology and communication affect knowledge management*. Retrieved December 26, 2019, from <https://smallbusiness.chron.com/technology-communication-affect-knowledge-management-10149.html>
37. A  
Intellectual property. Intellectual property refers to intangible business assets that result from thinking processes. Copyrights are a major type of intellectual property that are protected under the law, meaning that nobody can use the copyrighted work without the explicit permission of the owner. A copyright is not a tangible asset, a trade secret, or industrial property.  
SOURCE: KM:004  
SOURCE: WIPO. (2018). *What is intellectual property?* Retrieved January 27, 2020, from <http://www.wipo.int/about-ip/en/>
38. B  
Share data and knowledge with management. Exit interviews are an important way that businesses can learn about and improve the inner workings of the company. Management needs to hear exit interview responses in order to enact change. If Miranda does not share her findings with management, then the company is misusing exit interviews and missing out on the opportunity to grow. Explaining to an employee why leaving is not encouraged, sending responses to peers, and asking employees to leave are not appropriate actions to take after an exit interview.  
SOURCE: KM:005  
SOURCE: Spain, E., & Groysberg, B. (2016, April). *Making exit interviews count*. Retrieved December 26, 2019, from <https://hbr.org/2016/04/making-exit-interviews-count>
39. C  
Unmotivated. A common challenge with knowledge management is motivating people to share information and apply that shared knowledge consistently. Knowledge leaders need to foster communities of collaboration and cultures of growth to develop effective knowledge management systems. Collaborative team members will be more inclined to share knowledge. Team members with specialized knowledge are assets to a knowledge community. Gossipy team members might be unprofessional, but they aren't directly as challenging to knowledge management success as those who are unmotivated and unwilling to participate.  
SOURCE: KM:018  
SOURCE: Casey, M. (2018, June 21). *11 knowledge management challenges managers face*. Retrieved January 6, 2020, from <https://dzone.com/articles/11-knowledge-management-challenges-managers-face>

40. D

Focus on fulfilling customer needs and wants. The marketing concept is a philosophy of conducting business that is based on the belief that all business activities should be aimed toward satisfying customer needs and wants while achieving company goals. Businesses that embrace the marketing concept consider the customer's point of view first. While allotting money to advertising budgets, donating to charities, and protecting the company image are all activities that might benefit a business in some way, they are not related directly to the marketing concept.

SOURCE: MK:001

SOURCE: LAP-MK-004—Have It Your Way! (Nature of Marketing)

41. C

No. Technology obsolescence can negatively impact data security. Older software and hardware have been available for a longer period of time, which gives cyber criminals more opportunities to hack in and gain access to information. Keeping older technologies makes companies vulnerable to security breaches. Updating technological inventory is an important way for companies to prevent technology obsolescence and protect their information.

SOURCE: NF:081

SOURCE: Monson, K. (2017, April 5). *4 reasons to pay attention to technology obsolescence*. Retrieved December 26, 2019, from <https://www.csiweb.com/resources/blog/post/2017/04/05/4-reasons-to-pay-attention-to-technology-obsolescence>

42. A

Information overload. Information management is difficult because of information overload. The business world is completely wired—connections are made instantly, and information flows freely and abundantly. While these advances bring many benefits, it is often hard for workers to distinguish between what information is important and what is not. This can waste a lot of time and resources. There is no universal approach to information management—what works for one company will not necessarily work for another. Information management can also be difficult because the business world is not stagnant, but is instead constantly evolving.

SOURCE: NF:110

SOURCE: LAP-NF-110—In the Know (Nature of Information Management)

43. A

Forecasting. With ever-increasing technology and predictive tools, many project managers select software providing forecasting functions that allow teams to be proactive in their project efforts. By collecting data, this software can often predict completion dates, needed resources, and future project costs. These predictions can help teams avoid potential risks and improve projects areas before they become significant problems. Scheduling, document sharing, and internal messaging functions don't generally have predictive capabilities.

SOURCE: NF:130

SOURCE: Technology Advice. (2020, January 3). *Project management software buyer's guide*. Retrieved January 6, 2020, from <https://technologyadvice.com/project-management/#choosing-a-project-management-software-platform>

44. B

Mining. Data mining is the process of gathering data, analyzing data, and identifying patterns and trends that then inform business practices. By gathering data from its customers and using that information to make business decisions, the grocery store is using data mining strategies. Data encryption is the process of transferring data. Data breach occurs when private data has been viewed, stolen, or used in an unauthorized manner. Data advertising is not a recognized term in information management.

SOURCE: NF:148

SOURCE: Twin, A. (2019, August 18). *Data mining*. Retrieved January 6, 2020, from <https://www.investopedia.com/terms/d/datamining.asp>

45. A

Make identical changes in all locations. Because data can appear in different locations, it is important that any changes made in one location are also made in other relevant locations for consistency and accuracy. Erasing all previous data without documenting changes made might lead to confusion and inaccuracies. Not all company employees need to be aware of every data change you make, especially if that data contains sensitive information. Instead, it is recommended to submit change requests to an administrator for approval. While changes should be made in a time-conscious manner, making changes too quickly might lead to mistakes.

SOURCE: NF:264

SOURCE: Sarfin, R.L. (2019, June 10). *Change data capture 101: What it is and why it matters*.Retrieved January 14, 2020, from <https://blog.syncsort.com/2019/06/big-data/change-data-capture-101/>

46. D

Human resources. Human resource (HR) documents contain records of employee events, which can include written accounts of their actions, performance goals, positive contributions, policy violations, and more. If Tanya wants to see if this employee has a history of policy violations, she needs to look through HR documents. Financial, inventory, production, and quality documents will not provide Tanya with the business information she is looking for.

SOURCE: NF:014

SOURCE: Heathfield, S.M. (2019, June 25). *The importance of documentation in human resources*.Retrieved December 26, 2019, from <https://www.thebalancecareers.com/documentation-1918096>

47. A

Environmental, employment and labor, insurance. Environmental regulations are designed to protect the environment and natural resources. Many aspects of operations are directly affected by environmental law, including location, supply chains, transportation, and manufacturing. Employment and labor laws also affect operations as they relate to regulations affecting human resources. Insurance law also touches many aspects including manufacturing processes and human resources management. Advertising regulation is unlikely to directly affect operations management. Antitrust laws may affect some aspects of supply chain management but also affect other areas of business management. Tax codes affect operations management only indirectly, if at all. Privacy regulation doesn't always affect operations management; where it does, it only affects certain industries.

SOURCE: OP:339

SOURCE: Wood, M. (2019, October 9). *11 important government regulations on business you must know*. Retrieved January 22, 2020, from <https://www.fundera.com/blog/government-regulations-on-business>

48. D

Employees. Although shoplifting is a significant security risk for many retail businesses, employee theft sometimes accounts for even more inventory shrinkage than shoplifting. While security cameras and inventory management can help prevent some shoplifting, these precautions, in addition to conducting background checks, are specifically useful in helping prevent employee theft. Organized retail crime does exist, but background checks are unlikely to aid in preventing it. Theft by upper management is not likely to be curtailed by cameras since upper management tends to have expanded access to cash and inventory that would not necessarily be captured by camera.

SOURCE: OP:013

SOURCE: Lesonsky, R. (2019, October 9). *Secrets of preventing employee retail theft revealed*.Retrieved January 14, 2020, from <https://smallbiztrends.com/2019/10/employee-stealing-prevention.html>

49. B

Organizing work tasks. Organizing work tasks is an important step toward being productive and successful. There are various methods of prioritizing work tasks, but the first step is almost always to create a list. Multitasking is the practice of working on more than one task simultaneously. However, multitasking is not highly recommended and can lead to stress, lack of creativity, and inefficiency. Delegating tasks involves assigning tasks to others. "Managing up" is the practice of helping your manager make his/her job as easy as possible.

SOURCE: OP:228

SOURCE: Downing, S., & Brennan, J. (2018). *On course: Strategies for success in college, career, and life* (9th ed.) [Lesson 4-5c]. Boston, MA: Cengage Learning, Inc.

50. C

Assigning tasks based on individual strengths. In the best teams, each individual is empowered to bring her/his own strengths to the team and is given the opportunity to use those strengths to work toward the group's goals. If each individual is assigned work based on her/his strengths, the team will be more productive. Feedback from members, as long as it is positive and/or constructive, should be encouraged. Groups also benefit from having diversity in experience, background, gender, and age. Teams should work toward collective goals and not necessarily individual goals, especially where the two might create conflict.

SOURCE: OP:230

SOURCE: McQuerrey, L. (2019, January 25). *What are the benefits of teamwork on organization effectiveness?* Retrieved January 21, 2020, from <https://smallbusiness.chron.com/benefits-teamwork-organization-effectiveness-78220.html>

51. A

Maximize employee productivity. Strong communication is an important aspect of keeping employees on task and productive. Setting clear expectations can be even more effective in ensuring productivity than monitoring employee Internet usage, for example. Discipline can be effective but is a reactive, rather than a proactive, approach to managing employee productivity. Active listening is also an important part of helping employees. Creating task descriptions, task lists, and performance goals are all effective means of communicating expectations and maximizing employee productivity.

SOURCE: OP:354

SOURCE: Ahmed, A. (2019, August 27). *How to monitor employee performance*. Retrieved January 22, 2020, from <https://bizfluent.com/how-8335926-set-performance-goals-subordinates.html>

52. C

Streamline work processes. Employees who have been with an organization a long time are not only great sources of information on how to streamline processes, but they are often fully capable of performing their work without regular supervision. Managers involved in day-to-day activities can slow down work processes. These can be made more efficient by eliminating the routine approval process and trusting the employee to perform these tasks independently. Organizational goals can be furthered by this type of efficiency, but determining organizational goals is not likely to involve eliminating supervisors and empowering employees. While this kind of independence might help in hiring new employees, it works best with employees who are already established and should not necessarily affect their benefits. There may be some slight increase to the amount of risk assumed by an organization by eliminating supervisors, but in many cases, the cost savings outweighs the limited risk of empowering employees who have been with an organization for a long time.

SOURCE: OP:355

SOURCE: Bucki, J. (2019, July 29). *Top ways to streamline your business*. Retrieved January 14, 2020, from <https://www.thebalancesmb.com/top-ways-to-streamline-your-business-2533560>

53. D

Decreasing process flow time increases process efficiency. Flow time is the amount of time required to move a single unit through an entire business process. It is also known as processing time. Decreasing flow time means the process is more efficient. Increasing flow time can mean that a customer will have to wait longer for the product. This can be a result of bottlenecking in the work process, which is an indication of an inefficient process. Improvements in process efficiency typically lead to increased revenues and a decreased carbon footprint.

SOURCE: OP:355

SOURCE: Collier, D.A., & Evans, J.R. (2019). *Operations and supply chain management* (1st ed.) [Lesson 7-5] Boston, MA: Cengage Learning, Inc.

54. C

The business environment can affect project planning. The world around you can change the way you plan your project. In this case, the arrival of college students affects the planned schedule for a new apartment building. The apartment management firm is considering changes in the market when planning for its new project. This is not an example of how a project's team members impact project planning, how project planning keeps the focus on the overall goal, or how defining scope is the most important aspect of planning.

SOURCE: OP:519

SOURCE: LAP-OP-519—Plan On It! (Planning Projects)

55. A

An adaptive project life cycle. Adaptive project life cycles are useful in project environments with high levels of change, when requirements are difficult to predict. They have quick iterations and involve stakeholder engagement throughout the life cycle. Because Neil works in a rapidly changing industry that is difficult to predict, using an adaptive project life cycle model could be helpful to his team. Predictive project life cycles are those in which scope and requirements are determined as early as possible and phases are generally distinct from one another. This type of life cycle model would not be well-suited for Neil's project. Product-oriented processes are processes that specify and create the project's product. While Neil's project will include product-oriented processes, they are not related to the rapid changes and difficult predictability of his industry. Finally, a dedicated project team is one with full-time team members assigned to a project. This type of project team composition has little to do with the rapid changes and difficult predictability of Neil's industry.

SOURCE: OP:158

SOURCE: Project Management Institute. (2013). *A guide to the project management body of knowledge (PMBOK guide)* (5th ed.) [pp. 37, 44-46]. Newtown Square, PA: Project Management Institute.

56. A

Asking the supplier to sign nondisclosure agreements. The free flow of information between supplier and buyer is an important part of building lasting supplier relationships. Open information sharing can cut costs and assure that these relationships benefit both parties. Providing false information, trying to use information as leverage, or not trusting a supplier are not effective ways to build trust or create open lines of communication and lasting relationships.

SOURCE: OP:241

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



57. B

Blanket purchase order. Blanket purchase orders are created when the item and negotiated price are set with a supplier or vendor, but the quantity and schedule may vary from order to order. These are most often used for recurring orders of the same item in circumstances where the item quantity is likely to vary based on need. Often there is a negotiated set of terms and conditions including spending limits and duration of agreed pricing. A standard purchase order is used for a single purchase in which the terms and conditions apply only to a single transaction. A planned purchase order is often used in situations with recurring purchases in which the item, price, quantity, and delivery schedule are all negotiated and set. A contract purchase order is a formal agreement between buyer and supplier in which terms are set but no actual purchase is required. Contract purchase orders act like contracts for future purchases but do not necessarily require any purchases to be made.

SOURCE: OP:250

SOURCE: Poskitt, C. (2019, September 27). *The know-it-all-guide to purchase orders*. Retrieved January 16, 2020, from <https://www.turbinehq.com/blog/guide-to-purchase-orders#Chapter-4>

58. B

Raw materials. A raw material is a basic component that is used to produce manufactured goods and products. Steel, corn, and lumber are all raw materials because they are basic, unprocessed components unchanged from their natural state. A finished good is the end result of this manufacturing process. Work in process refers to goods and products that have started but have not yet completed the manufacturing process. Discretionary items are products that are wanted but not needed.

SOURCE: OP:336

SOURCE: Banton, C. (2019, November 7). *Raw materials*. Retrieved January 15, 2020, from <https://www.investopedia.com/terms/r/rawmaterials.asp>

59. D

Buffer. Buffer inventory is inventory kept on hand in case there are issues with material supply, such as delayed delivery times or poor-quality items. This extra inventory acts as a buffer for these issues by making sure there are no issues with meeting demand. Anticipatory inventory is inventory built up for expected increases in demand, such as around the holidays. MRO goods are maintenance, repair, and operations items that are important for manufacturing (e.g., gloves or computers) but usually don't appear in the finished product. Intangible inventory is inventory that is not physical in nature. Anticipatory inventory, MRO goods inventory, and intangible inventory are all important, but they are not affected directly by delayed delivery of raw materials.

SOURCE: OP:336

SOURCE: Magloff, L. (n.d.) *Types of inventory for an organization*. Retrieved January 15, 2020, from <https://smallbusiness.chron.com/types-inventory-organization-14109.html>

60. A

Long-term relationships based on trust can be beneficial for both parties. Establishing a relationship with a vendor that is built on trust can lead to benefits for both parties. For example, a long-term relationship with a vendor could result in useful information sharing, price incentives, or even loyalty through difficult times. While telling the truth is not likely to impact the other party's leverage or bargaining power, and there is no guarantee that a vendor will be completely honest with you during negotiations, establishing your trustworthiness is likely to benefit your organization in the long run.

SOURCE: OP:337

SOURCE: Hudson, M. (2019, November 20). *10 tips on how to negotiate with wholesalers*. Retrieved January 17, 2020, from <https://www.thebalancesmb.com/how-to-negotiate-prices-and-more-2890063>

61. A

Product research, design, and development. The Taguchi method of quality management, also known as "robust design," focuses on product research, design, and development, rather than manufacturing. Even though it is likely to involve higher upfront costs and time, it should be less expensive and lead to fewer production issues in the long run. Analyzing industry competition is always important in business but is unrelated to the Taguchi method. Unlike the Taguchi method, a lean production approach is focused largely on the manufacturing process and seeks to eliminate inventory storage, overprocessing, and overproduction.

SOURCE: OP:163

SOURCE: LAP-OP-008—Take Control (Quality-Control Measures)

62. B

Decrease costs. It costs money to store a product in inventory, and the longer a product sits in inventory, the more expensive it is. Long average times are also a sign of supply chain inefficiency. There are a number of ways to approach this issue, but the goal of all of them is to make the supply chain more efficient and cut costs. Inventory can affect sales if there is not enough inventory to meet demands, but reducing the amount of time a product sits in inventory is not likely to increase sales. Increased sales may lead to shorter inventory times, however. Customer satisfaction can be related to inventory management, but the most direct way is if there is not enough inventory to meet demand, which can lead to delivery delays. Product quality is usually a measure of manufacturing aspects of the supply chain, not inventory times.

SOURCE: OP:303

SOURCE: Wisner, J.D., Tan, K., & Leong, G.K. (2019). *Principles of supply chain management* (5th ed.) [Lesson 1-2]. Boston, MA: Cengage Learning, Inc.

63. A

Business analysis techniques. MOST (Mission, Objectives, Strategies, Tactics), PESTLE (Political, Economic, Sociological, Technological, Legal, Environmental), and SWOT (Strengths, Weaknesses, Opportunities, Threats) are techniques for conducting a business analysis. Each seeks to identify and address issues that a business might face. While some of these strategies might be useful in supply chain management, they are not specific to managing supply chains. Standards-setting organizations and international governing entities are often known by their initials, but these initials do not refer to either.

SOURCE: OP:327

SOURCE: Villanova University. (2019, October 25). *What is business analysis?* Retrieved January 16, 2020, from <https://www.villanovau.com/resources/business-analysis/what-is-business-analysis/>

64. A

Process thinking focuses on the end result of an entire series of tasks. Process thinking breaks from the view that a business is made up of a grouping of departments and instead views business as a collection of different processes. A process might involve the work of multiple departments and teams, but when the work is viewed as a process, the focus is about the results of the entire process rather than the work of each individual component. Process thinking eliminates departmental communication silos by viewing work as processes that flow through multiple departments. This requires departments to communicate and work together, rather than in competition with one another.

SOURCE: OP:474

SOURCE: Pearson, S. (2014-2020). *Importance of process thinking in business management*. Retrieved January 16, 2020, from <https://tallyfy.com/process-thinking/>

65. D

Establishing best practices and communicating them throughout the organization. Business process design involves developing a business practice where one did not previously exist. It benefits organizations by establishing a process that can be followed by each member of the organization, thereby eliminating guesswork. Establishing a business process design also allows for the communication of the tasks in a project throughout an organization to help ensure that each task is performed the same way and in the appropriate order. This eliminates the reliance on veteran employees' prior knowledge or the pressure of hiring employees who have the knowledge or strengths that allow them to perform the tasks without a specific process in place. While business processes should be routinely evaluated for the possibility of improvement, process design approaches a business process as a series of steps with an end result in mind as opposed to working backwards from a defective product and eliminating possible problems along the way.

SOURCE: OP:475

SOURCE: Raia, M. (2019, June 19). *How to design a process*. Retrieved January 16, 2020, from <https://www.integrify.com/blog/posts/how-to-design-a-process/>

66. A

BPR assumes that processes are the main cause of poor performance. Business process redesign is based on the notion that better processes will lead directly to better performance. This approach has the potential to blame processes for poor performance from other causes. This can be especially problematic when BPR leads to layoffs or significant disruptions that can either obscure the true cause of the performance or lead to further performance problems. BPR should be considered as one option for improving performance and not the only option. BPR is said to focus too much on efficiency and cost reduction as opposed to employee satisfaction or customer happiness. It also tends to assume that costs are one of the most important aspects of efficient production.

SOURCE: OP:476

SOURCE: Hayes, A. (2019, July 4). *Business process redesign (BPR)*. Retrieved January 16, 2020, from <https://www.investopedia.com/terms/b/business-process-redesign.asp>

67. D

Can reflect conditions unrelated to performance. Organizational costs, revenue, and profitability are of limited use in measuring supply chain performance because external conditions can cause these measures to fluctuate regardless of supply chain performance. Profitability, for example, can be easily affected by a drop in material costs that are unrelated to any managerial decisions. These measures are also limited in that they are not useful in pinpointing issues in specific departments or units due to interdependence in the supply chain. Even though there are limits to these measures, they can still be useful when considered with other factors. These measures are useful because they can be altered by managerial decisions and because they can be used in a wide variety of industries.

SOURCE: OP:477

SOURCE: Wisner, J.D., Tan, K., & Leong, G.K. (2019). *Principles of supply chain management* (5th ed.) [Lesson 14-2]. Boston, MA: Cengage Learning, Inc.

68. C

RFID eliminates the need for time-intensive manual scanning. RFID uses tags that allow for the automatic scanning and tracking of products. This can greatly reduce the amount of time and cost required to scan objects at each stage in a supply chain. Other technologies that improve supply chain efficiency include automation and GPS tracking, but these do not use RFID technology.

SOURCE: OP:478

SOURCE: Sok, H. (2017, November 20). *Infographic: How is technology enhancing supply chain management?* Retrieved January 21, 2020, from <https://www.globaltrademag.com/infographic-technology-enhancing-supply-chain-management/>

69. B

A supply chain network uses advanced technology to enhance information sharing. As technology continues to advance, significant changes have been made to the traditional supply chain model. These technological advancements allow for enhanced information sharing and real-time decision-making by supply chain managers within advanced supply chain networks (SCN). There is not any need for additional businesses to be involved in a SCN, except for the possibility of a third-party IT support company. However, the purpose of this third-party IT support company is not to allow for global distribution. SCNs involve a higher level of interdependence among supply chain members than do traditional supply chains. This higher level of interconnectivity has not impacted whether a retailer or manufacturer is in charge of managing a supply chain.

SOURCE: OP:479

SOURCE: Juneja, P. (2020). *Supply chain network and technology*. Retrieved January 22, 2020, from <https://www.managementstudyguide.com/supply-chain-network.htm>

70. A

Shipping costs tend to be lower if a product is manufactured closer to customers. This is especially the case for heavy or large products. Even if raw materials need to be shipped to the manufacturing center from great distances, these raw materials are usually much cheaper and easier to ship than large manufactured items. Proximity to target markets also allows companies to respond more quickly to customer demands. Labor costs tend to be higher in areas where the local population can afford to purchase the products. Customers are not likely to accept poor quality from purchased products even if they know the people who work at a manufacturing plant. Packaging costs relating to which language is used are not likely to affect where manufacturing takes place.

SOURCE: OP:480

SOURCE: Wisner, J.D., Tan, K., & Leong, G.K. (2019). *Principles of supply chain management* (5th ed.) [Lesson 11-2g]. Boston, MA: Cengage Learning, Inc.

71. A

Social media posts. A company's digital assets exist only in digital form, often online, in the cloud, or on company servers. Digital assets include social media posts, any company websites or apps, intellectual property, and customer information and contact lists. Computer keyboards, monitors, and manufacturing equipment are also assets, but not digital assets. Although company stock may be bought and sold digitally, the stock itself is not a digital asset. In addition, stock is only an asset for the investors who own that stock.

SOURCE: OP:517

SOURCE: Murray, J. (20129, May 5). *How to protect your company's digital assets*. Retrieved January 15, 2020, from <https://www.thebalancesmb.com/how-to-protect-company-digital-assets-4153375>

72. C

Suspicious emails and attachments. Suspicious emails such as those containing attachments or requesting that an employee reset a password are a serious threat to any business's cybersecurity. Phishing emails are an inexpensive, common, and highly effective form of cyberattack, so each member of an organization should be trained on how they work and how to recognize one. GDPR is a set of regulations put in place for the European Union (EU) about data protection. While it is very important that members of the IT department and certain executives know the details of this regulation, it is usually not necessary for every employee to understand the entire law. This is specifically the case in areas not governed by the EU. Workplace safety regulations should be taught to all employees but are not likely to address cybersecurity risks. Social media policies are also important but not directly tied to the risk of cyberattack.

SOURCE: OP:518

SOURCE: Conlin, B. (2019, May 23). *How to improve your small business's cybersecurity in an hour*. Retrieved January 22, 2020, from <https://www.businessnewsdaily.com/15046-quick-cybersecurity-tips.html>

73. D

Prioritizing. The ABC principle uses letters to indicate the importance of individual goals. “A” goals are the most important, “B” goals are somewhat important, and “C” goals are the least important. The ABC principle does not relate to developing, combining, or revising goals as it is only used once goals have been established.

SOURCE: PD:019

SOURCE: LAP-PD-001—About Time (Time Management)

74. B

Human resource management. Employees working in human resource management are responsible for staffing activities that involve planning, recruitment, selection, orientation, training, performance appraisal, compensation, and safety of employees. Employees working in operations management focus on planning, organizing, coordinating, and controlling the resources needed to produce/provide a business's goods and/or services. Careers in general management focus on planning, organizing, directing, and evaluating part or all of a business organization by allocating the use of financial, human, and material resources. Employees working in administrative services handle a variety of administrative and clerical duties that may include greeting job applicants, but they are not typically involved in the hiring process.

SOURCE: PD:025

SOURCE: LAP-PD-025—Go for It! (Careers in Business)

75. B

Sustainability specialist. Operations management careers focus on planning, organizing, coordinating, and controlling the resources needed to produce and provide a business's goods and/or services. A sustainability specialist is an example of an operations management career. Sustainability specialists are often responsible for developing and implementing programs and processes to reduce a company's impact on the environment. Store manager is a general management position. Administrative assistant is an office management position. A benefits administrator works in human resources management.

SOURCE: PD:297

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

76. D

Create three different résumés, one for each position. Because the jobs to which Raphael is applying require very different skills and levels of experience, he should create a different résumé for each position. All application materials, including résumés and cover letters, should be designed with the specific job and company in mind. Submitting the same résumé (whether it is a chronological, a functional, or a combination résumé) for these three jobs won't allow Raphael to highlight how well he will fit the requirements for any one of them.

SOURCE: PD:031

SOURCE: Jordan, A., & Crews, T.B. (2019). *Investigating your career* (3rd ed.) [pp. 250-257]. Boston, MA: Cengage Learning, Inc.

77. A

Strategic. Strategic goals are set by top or senior management and tend to focus on the most general and basic strategies and issues in an organization. Tactical goals tend to be set by middle management and focus on the major functions of different divisions within an organization. Operational goals are set by lower management and supervisors and focus on implementing specific processes at the lower levels of departments and individual employees. Symbolic goals do not exist in the hierarchy of operational goals.

SOURCE: PD:254

SOURCE: Griffin, R.W. (2018). *Fundamentals of management* (8th ed.) [Lesson 3-1a]. Boston, MA: Cengage Learning, Inc.

78. B

The outline and purpose of the project. The project charter is a document that outlines and establishes the purpose of a project. It is used as a reference point throughout a project. It does not include details about activity status, who is assigned to each activity, or the resource acquirement plan. These elements are generally included in subsequent planning after the project charter has been completed.

SOURCE: PJ:005

SOURCE: Harrin, E. (2019, October 13). *Role and purpose of a project charter*. Retrieved December 26, 2019, from <https://www.thebalancecareers.com/what-is-a-project-charter-2779599>

79. C

A work breakdown structure. The work breakdown structure charts the project's milestones and deliverables to ensure that every project component is identified and laid out before the team begins work. If Shawn is feeling overwhelmed with the amount of project work, creating a work breakdown structure will help organize the flow of activities. A statement of work, scope statement, and issue log will not provide a comprehensive overview of the project's required deliverables.

SOURCE: PJ:006

SOURCE: Roberts, M. (2019, November 20). *10 critical steps to include in a project plan*. Retrieved December 26, 2019, from <https://www.thebalancecareers.com/what-needs-to-be-in-a-project-plan-1669741>

80. A

Using the work breakdown structure to replace the project schedule. While the work breakdown structure (WBS) will provide a comprehensive view of the project's milestones and deliverables, it cannot replace the project schedule because it does not always sequence or organize work in order of performance. WBS components should be listed as deliverables (rather than activities or tasks). Many teams find creating a WBS dictionary is a valuable part of the WBS development process. Including relevant individuals in the WBS development process is recommended.

SOURCE: PJ:006

SOURCE: Mathis, M. (n.d.). *Work breakdown structure (WBS) purpose, process and pitfalls*. Retrieved December 26, 2019, from <https://www.projectsmart.co.uk/work-breakdown-structure-purpose-process-pitfalls.php>

81. D

It reduces risks that arise from making changes without considering the project as a whole. The Perform Integrated Change Control process involves reviewing all change requests, approving changes, and managing changes. Without this process, changes would not be thoroughly considered and analyzed before being made, which could bring risks and unintended consequences. Performing integrated change control does not allow all changes to be accepted; some change requests are denied. The Perform Integrated Change Control process does not necessarily provide the team with areas for improvement; instead, this is a function of the Close Project process. Finally, the Perform Integrated Change Control process includes both changes to the project documents and changes to the deliverables and processes.

SOURCE: PJ:009

SOURCE: Project Management Institute. (2013). *A guide to the project management body of knowledge (PMBOK guide)* (5th ed.) [pp. 94-96]. Newtown Square, PA: Project Management Institute.

82. C

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

SOURCE: PJ:007

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

83. C

The critical chain method considers resource constraints; the critical path method does not. The critical path method is used to estimate the minimum project duration and determine the amount of scheduling flexibility. The critical chain method is similar, but allows the team to place buffers in the path to account for limited resources and project uncertainties. The critical path method does not include buffers, whereas the critical chain method does. The critical chain method considers these buffer durations instead of total float, which is the focus of the critical path method. Finally, the critical chain method accounts for uncertainty more than the critical path method.

SOURCE: PJ:010

SOURCE: Project Management Institute. (2013). *A guide to the project management body of knowledge (PMBOK guide)* (5th ed.) [pp. 176-178]. Newtown Square, PA: Project Management Institute.

84. B

Celebrate their successful project completion together. Celebrating success is an important part of the project-closure process group because it builds morale and increases loyalty. Approving deliverables and signing documents are activities that should be done by stakeholders. Creating issue logs and developing a work breakdown structure are activities that should have been done before reaching the project-closure process group.

SOURCE: PJ:008

SOURCE: Ray, S. (2019, November 13). *5 steps to project closure (checklist included)*. Retrieved December 27, 2019, from <https://www.projectmanager.com/blog/project-closure>

85. C

Improvement. Quality improvement involves an organization's willingness to change and adapt for the purpose of maintaining quality. We see examples of this all the time in the health care industry—new drugs are introduced, new surgical techniques are created, and new knowledge about illnesses is formed. These are primarily examples of quality improvement, not quality assurance, control, or management. Quality assurance is an organization-wide system that businesses use to ensure that products meet quality standards. Quality control is a process that measures products against predetermined standards after the products have already been created. Finally, quality management is the ongoing process of planning, implementing, and integrating quality into every aspect of an organization.

SOURCE: QM:001

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

86. D

Optimizing. The Capability Maturity Model Integration (CMMI) model encompasses techniques used to assess an organization's processes, devise methods to improving those processes, and generally provide the organization with tools for increasing the quality and efficiency of that organization's operations. CMMI uses five maturity levels to indicate the productivity, efficiency, and quality of organizational processes and performance. The highest level of maturity that an organization can achieve is optimizing, which occurs when processes are stable, yet flexible enough to allow for innovation. Other maturity levels include initial (work is unpredictable, poorly controlled, and reactive); managed (projects are planned, completed, and controlled, but the overall organization is still relatively reactive); defined (organizations are more proactive and have standards used to guide projects, processes, and performance); and quantitatively managed (decisions regarding organizational processes are data driven and aligned to meet stakeholders' needs).

SOURCE: QM:002

SOURCE: CMMI Institute. (2020). *Appraisals: CMMI levels of capability and performance*. Retrieved January 14, 2020, from <https://cmmiinstitute.com/learning/appraisals/levels>

87. A

Making corrections until mistakes virtually disappear. Six Sigma is a quality management strategy that aims to eliminate mistakes. This can often be difficult. Companies achieve Six Sigma when they only produce 3.4 mistakes per million. Incorporating acceptance and in-process sampling is part of statistical quality control. Improving business operations to meet standards and receive certification fall under the techniques ISO 9000:2000 and ISO 14000. Reducing the time it takes for products to be developed and distributed is part of reducing cycle time.

SOURCE: QM:003

SOURCE: Griffin, R.W. (2018). *Fundamentals of management* (8th ed.) [Lesson 15-5d]. Boston, MA: Cengage Learning.

88. C

Starts from the top. If a company's top leaders are not ethical, it is unlikely that anyone else will be. Leaders need to set the precedent by acting ethically and encouraging the importance of ethics in risk management. They should stress the importance of ethics in their communications and strategic planning. It is possible for a business to see increased profit if it acts unethically. Acting ethically is not always easy to do. There are both internal and external ethical issues.

SOURCE: RM:041

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

89. C

Decrease. Technology facilitates risk management by decreasing the time it takes for key personnel to be alerted of any issues. Many companies use technological tools like risk dashboards and automated processes to make this communication immediate. With technology, risk management communication lag time is not increased, escalated, or monetized.

SOURCE: RM:042

SOURCE: Ten Six Consulting. (2018, February 1). *What risk management technology should you use?* Retrieved December 30, 2019, from <https://tensix.com/2018/02/what-risk-management-technology-should-you-use/>

90. C

Most risks cannot be understood without an understanding of the law. While not all risks have a legal component, many do, so it is crucial that risk managers understand relevant laws and regulations. Without this knowledge, risk managers will find it difficult to appropriately identify, analyze, and respond to the risks that pose a threat to the company. Company risks do not affect local law development; instead, laws affect which risks could affect a company. Risk managers are not part of a risk retention group. While legal knowledge is recommended in a risk manager, a degree is not officially required by law.

SOURCE: RM:043

SOURCE: Dunham, S. (2019). *Risk management and the law*. Retrieved January 3, 2020, from <https://agb.org/trusteeship-article/risk-management-and-the-law/>

91. B

Trade barriers. Trade barriers are a type of political risk, which develops when a country unexpectedly changes its policies and negatively affects a business. Trade barriers can place limitations on or even prevent international trade. Other types of political risk include tariffs and quotas. Political risk can affect investment returns, but investment returns do not directly affect a business' competition in a foreign market. Time horizons, the length of an investment, and systematic withdrawals (a strategy to generate retirement income) are not related to risk management or international business.

SOURCE: RM:092

SOURCE: Beers, B. (2019, August 4). *Top risks for international business*. Retrieved January 7, 2020, from <https://www.investopedia.com/ask/answers/06/internationalfinancerisks.asp>



92. C

Developing company goals and objectives. The first step in the managerial planning process involves establishing company goals and objectives. After establishing these goals, managers can identify the tasks and resources (money and staff) needed to reach those goals and objectives. Managers should then prioritize their goals and associated tasks so that staff understand where to focus their time and energy. Finally, managers should develop and implement methods to evaluate progress toward organizational goals and objectives.

SOURCE: SM:063

SOURCE: Mullane, T. (2015, April 24). *The basic steps in the management planning process*. Retrieved January 22, 2020, from <https://www.linkedin.com/pulse/basic-steps-management-planning-process-terry-mullane/>

93. B

Evaluating results. It's important for companies to periodically evaluate the results of the organizing process. A manufacturing company that realizes its organizational structure is not efficient is evaluating the results of its organizing efforts. It is not delegating authority, assigning tasks, or coordinating activities.

SOURCE: SM:064

SOURCE: LAP-SM-064—Put It All Together (Managerial Considerations in Organizing)

94. A

Staffing. The staffing function entails ensuring that a business has the right people working in the right job position at the right times. Staffing involves activities such as determining the need for new employees and/or new positions, recruiting, screening, interviewing, selecting, onboarding, training and developing, and developing compensation plans. Organizing involves identifying and grouping job tasks and mapping out lines of organizational authority. Planning entails identifying business goals and determining the best ways to achieve them. Controlling involves monitoring employee performance and ensuring that organizational goals are being met.

SOURCE: SM:065

SOURCE: LAP-SM-004—Dream Team Maker (Staffing)

95. D

Motivating. Motivation is the process of getting employees to strive to achieve management's objectives because they want to achieve them. In the workplace, motivation keeps employees working hard and putting forth as much effort as they can to achieve goals. In this example, this manager is motivating his employees by bringing in doughnuts and coffee as a morale booster. The manager is not instructing, supervising, or building group dynamics in this instance.

SOURCE: SM:066

SOURCE: LAP-SM-066—Take Action (Managerial Considerations in Directing)

96. D

Missing deadlines. It's important for managers to check in and evaluate their directing ability. If a manager is not able to direct employees effectively, the employees and the organization are going to struggle to be successful. Missing deadlines is a sign of struggle, which indicates that a manager could improve his/her directing abilities. Adding new staff members does not necessarily indicate that a manager is not directing effectively. Meeting goals and communicating regularly are signs that a manager is directing successfully, rather than that the manager needs to work on his/her directing abilities.

SOURCE: SM:066

SOURCE: LAP-SM-066—Take Action (Managerial Considerations in Directing)

97. D

Feedforward. Feedforward controls attempt to monitor and control performance before it occurs. For example, rules for how employees should clock in and out of a shift are considered feedforward controls. Concurrent controls are those that monitor and control performance while it is occurring. Feedback controls are those that monitor and control performance after it has already occurred. Marketing controls such as test marketing are often used to monitor and control marketing efforts.

SOURCE: SM:004

SOURCE: LAP-SM-400—Measure Up! (Managerial Control)

98. B

Knowledge. Knowledge is an intangible combination of human experiences, insights, and intuitions that provide structure for interpreting and reacting to the world around you. Knowledge is the result of long-term learning that has been retained, and then applied, to practical situations. Innovation is the creation of new or more effective products, processes, services, technologies, or ideas. Training involves teaching or developing a specific skill. While Sam's expertise may be the result of training, his expertise itself is a form of knowledge. Recruiting entails seeking out and attracting qualified potential employees.

SOURCE: SM:094

SOURCE: Leaman, C. (2016, October 5). *The difference between learning and knowledge, and why you should care*. Retrieved January 10, 2020, from <https://learningsolutionsmag.com/articles/2079/the-difference-between-learning-and-knowledge-and-why-you-should-care>

99. C

To help employees become more comfortable with an upcoming merger. Change management is meant to help employees accept and become comfortable with changes such as mergers, layoffs, etc. that they often have no control over. Change management processes are not typically necessary when implementing a new promotional campaign or publishing an annual report. While change management processes may be useful in helping employees become comfortable with new managers, there's typically no need to implement change management processes when creating a succession plan for the company's top management positions.

SOURCE: SM:095

SOURCE: Burrow, J.L., Kleindl, B., & Becraft, M.B. (2017). *Business management* (14th ed.) [Lesson 5.2.2]. Boston, MA: Cengage Learning, Inc.

100. D

Develop a project impact assessment. Prior to initiating any significant change, businesses should develop a project impact assessment. The impact assessment should detail whom is most likely to be impacted by the change and what the anticipated effects of the change will be on these individuals. Businesses should wait to measure changes in employee behavior, implement corrective action plans, and recognize staff who have changed successfully until after the change has been initiated.

SOURCE: SM:096

SOURCE: Prosci. (n.d.). *Prosci change management methodology*. Retrieved January 10, 2020, from <https://www.prosci.com/resources/articles/change-management-methodology#phase>