



SAMPLE EXAM

BUSINESS ADMINISTRATION CORE

THE BUSINESS ADMINISTRATION CORE EXAM IS USED IN THE FOLLOWING EVENTS:

PRINCIPLES OF BUSINESS MANAGEMENT AND ADMINISTRATION **PBM**

PRINCIPLES OF FINANCE **PFN**

PRINCIPLES OF HOSPITALITY AND TOURISM **PHT**

PRINCIPLES OF MARKETING **PMK**

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

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1. What is created when the U.S. Supreme Court rules that a business activity is unconstitutional?
 - A. Federal agency
 - B. Common law
 - C. State law
 - D. International law
2. A good way to determine the most relevant information in a textbook is by
 - A. scanning the glossary that is located in the back of the textbook.
 - B. taking detailed notes on each example provided in the textbook.
 - C. reading the review questions at the end of each chapter or section.
 - D. memorizing each section's titles and subtitles.
3. Which of the following statements regarding company policies is true:
 - A. Company policies identify very specific employee actions.
 - B. Company policies and procedures are the same thing.
 - C. Company policies describe emergency measures.
 - D. Company policies identify general company rules.
4. Which of the following is a rule of good listening:
 - A. Be thinking about what you will say next.
 - B. Eliminate background noise.
 - C. Listen with empathy.
 - D. Stand as close as possible to the speaker.
5. Matt works in customer service and often has to deal with customer inquiries. Which of the following should he do if he wants to respond in an appropriate way:
 - A. Act disinterested while the customer is asking a question.
 - B. Answer the question immediately, even if he doesn't know the answer for sure.
 - C. Pay close attention to the question and ask for clarification, if needed.
 - D. Spend as much time talking to and answering the customer as possible.
6. What communication style is most appropriate to use when you are providing a friend with personal advice?
 - A. Empathic
 - B. Formal
 - C. Judgmental
 - D. Businesslike
7. Which of the following is a true statement about listening skills while handling telephone calls:
 - A. If you listen very carefully, you will not have to ask questions.
 - B. It is easy to listen while carrying on other activities.
 - C. Listening is a natural skill that doesn't require practice.
 - D. Being a good listener requires active-listening skills.
8. When Dale is taking notes during a staff meeting, he should
 - A. avoid abbreviations and symbols.
 - B. write his notes in complete sentences.
 - C. capture every word that is said.
 - D. organize his notes in a logical manner.
9. Which of the following is a guideline for developing effective written communication:
 - A. Be thorough.
 - B. Be repetitious.
 - C. Be wordy.
 - D. Be trite.

10. Which of the following is a formatting characteristic of a full-block business letter?
- A. Double-spacing within the paragraph
 - B. No paragraph indents
 - C. Indented first paragraph
 - D. Paragraphs use right justification
11. One principle of good business-letter writing is to use
- A. popular clichés.
 - B. long paragraphs.
 - C. clear language.
 - D. minimum organization.
12. What is an example of a written business inquiry?
- A. A form describing an employee's performance review
 - B. A memo outlining an upcoming meeting agenda
 - C. An email requesting vendor pricing and discounts
 - D. A report summarizing annual financial information
13. A person who publicly tweets negative comments about his/her company is most likely to be
- A. prosecuted.
 - B. laughed at.
 - C. promoted.
 - D. fired.
14. Penelope wants to use an interactive channel to communicate with her employees. Which channel of communication should she choose?
- A. A phone call
 - B. A voice mail
 - C. A letter
 - D. A report
15. When participating in staff meetings, business employees should be prepared to
- A. remain silent.
 - B. join in the discussion.
 - C. comment on every detail.
 - D. argue.
16. A disadvantage of problem-solving in groups is that it
- A. decreases risk-taking.
 - B. decreases conformity.
 - C. takes more time.
 - D. hinders communication.
17. As employees go about their daily activities, their actions should be driven by whether the actions will
- A. result in additional sales.
 - B. result in customer satisfaction.
 - C. bring them personal fulfillment.
 - D. be witnessed by customers.
18. What are businesspeople who fail to adapt their communication styles to appeal to their international clients likely to do?
- A. Earn the clients' trust
 - B. Offend the clients
 - C. Impress the clients
 - D. Persuade the clients to buy

19. What is a factor that affects a business's selection of policies to guide its operations?
- A. Nature of the business
 - B. Personal preferences of management
 - C. Communication skills of employees
 - D. Space available to display policies
20. Martha has been working with a customer on a printer purchase for the past 45 minutes. The customer has looked at all of the printers several times and still is not sure which one to purchase. With what type of customer is Martha working?
- A. Disagreeable
 - B. Suspicious
 - C. Dishonest
 - D. Indecisive
21. During the sale, touchpoints should be designed to
- A. get the customer's attention.
 - B. show the customer what benefits the brand offers.
 - C. resolve any problems the customer has with the product.
 - D. reinforce that the customer is making the right buying decision.
22. A transportation service makes sure that its trucks are well-maintained and driven with care. This is an example of a way to
- A. conserve the firm's capital goods.
 - B. retrain human resources.
 - C. renew natural resources.
 - D. increase the number of capital goods.
23. The ultimate goal of all economic activity is
- A. distribution.
 - B. production.
 - C. exchange.
 - D. consumption.
24. Whether prices go up or down, the relationship between relative prices does not change if the _____ remains the same.
- A. ratio
 - B. value
 - C. market
 - D. resource
25. One way in which many businesses demonstrate their social responsibility toward employees is by providing them with
- A. a stress-free atmosphere.
 - B. regular entertainment.
 - C. a safe working environment.
 - D. free meals.
26. The freedom to compete is a characteristic of businesses that operate in a(n)
- A. independent society.
 - B. communist economy.
 - C. imperial political environment.
 - D. market economy.

27. The personnel office of a business carefully checks the background and references of its job applicants. This is an example of handling business risks through
- prevention.
 - retention.
 - avoidance.
 - transfer.
28. A new business opened across the street from Heinrich's. It is virtually identical to Heinrich's. What type of competition is Heinrich's facing?
- Price
 - Indirect
 - Strict
 - Direct
29. Achievement-oriented, emotionally intelligent people usually are
- transparent.
 - prosperous.
 - motivated.
 - impatient.
30. Mary has been an employee at the Acme Company for nine years and has been having trouble motivating herself to complete tasks on time. Her supervisor feels she needs to develop her self-esteem through affirmations. Why should Mary write and use affirmations?
- To carry 3x5 index cards around with her for a week
 - To daydream about being a superstar in life
 - To develop a positive aspect of her life
 - To know the difference between self-esteem and affirmations
31. An employee who is able to adjust to changing conditions possesses the desirable trait of
- loyalty.
 - adaptability.
 - friendliness.
 - tact.
32. Marisa believes that she possesses the skills to make a positive contribution to the work team. Marisa is exhibiting
- empathy.
 - ethical standards.
 - systematic behavior.
 - self-confidence.
33. Which of the following is a reason to avoid lying:
- Lies can help you gain respect.
 - Lies are hard to keep track of.
 - Lies can get you out of trouble.
 - Lies may turn a bad situation around.
34. Bill punishes each of his staff exactly the same way when they break the rules. Bill is being
- generous.
 - empathetic.
 - biased.
 - consistent.

35. Which of the following is an example of a limited decision:
- Brushing your teeth
 - Buying a jacket
 - Ordering lunch
 - Getting married
36. You want to get straight A's and impress your teachers, so you consider cheating on tests to make sure you do well. You're facing an ethical dilemma because of your
- desire to prove yourself.
 - conflicting values.
 - pressure from others.
 - bad role models.
37. Jon is constantly checking and responding to email during the workday. Because of this, it takes him twice as long to finish writing a report. This is an example of how
- perfectionism allows people to better manage commitments.
 - organization leads to overcommitment.
 - commitment leads to professional success.
 - technology hampers one's ability to manage commitments.
38. Jennifer is a person who exhibits self-control in difficult situations. She always remains calm, is patient, empathetic, and a good listener. Her self-control helps her
- avoid a factual response.
 - express a negative reaction.
 - have a positive attitude.
 - react in a defensive manner.
39. You should expect some criticism on your job performance because a certain amount of criticism on the job is
- cruel.
 - tolerable.
 - necessary.
 - senseless.
40. Why should a business inform employees that their email will be monitored?
- To reduce its liability
 - To communicate policies
 - To respect their privacy
 - To control operating costs
41. When the company president finished his speech complimenting the staff on their work and promising raises and bonuses, the staff members rose to their feet and applauded him. The staff members were expressing their approval through
- sign language.
 - nonverbal communication.
 - animated conversation.
 - inappropriate behavior.
42. Individuals who respect their own personal rights, as well as the rights of others, have developed
- passiveness.
 - defensiveness.
 - assertiveness.
 - aggressiveness.

43. The goal of quality circles is to
- complete a specific one-time task.
 - improve performance in many areas.
 - solve a large organizational problem.
 - increase social contact among organizations.
44. Sasha is tempted to look up the answers to her homework problems. She knows she will not get caught, and she doesn't think the homework is helpful. How could you best help Sasha in this situation?
- Show her why ethical behavior is valuable to her and others.
 - Report Sasha's behavior to your teacher.
 - Follow the rules and hope Sasha notices.
 - Tell Sasha that you do not approve of her decision to cheat.
45. One way to develop an achievement orientation is to establish
- personal relationships.
 - flexible deadlines.
 - reachable goals.
 - safe conditions.
46. What should change leaders do after they're done leading a change?
- Celebrate success.
 - Address resistance.
 - Explain why the change was necessary.
 - Create a communication plan.
47. When management and employees have the same idea of what the business is capable of being in the future, they are sharing a(n)
- vision.
 - goal.
 - dream.
 - idea.
48. Calling in sick only if you are truly sick is an example of what type of behavior that builds positive working relationships?
- Carrying your own weight
 - Getting to know others on your work team
 - Having a good attitude
 - Being cooperative
49. It is important to learn how to handle conflicting viewpoints because
- it is impossible for people to change their minds.
 - other people's opinions are generally wrong.
 - you need to know how to convince others that you are right.
 - you will face conflicting viewpoints many times in life.
50. Which of the following is an ethical issue:
- Deciding whether to have french fries or a salad
 - Deciding whether to lie to a friend
 - Choosing between buying a new shirt or a new book
 - Choosing which movie to see this weekend
51. Coins and paper money are types of
- dividends.
 - contracts.
 - bonds.
 - currency.

52. Investing can help build wealth because it
- A. eliminates the need to save for retirement.
 - B. guarantees that you will not lose any money.
 - C. doesn't require any money to start investing.
 - D. increases your savings over your lifetime.
53. The Fair Credit Reporting Act is important to consumers because it
- A. provides guidelines that institutions must use in extending credit.
 - B. gives them the right to inspect the files of their credit history.
 - C. ensures that they are not denied credit for any discriminatory reason.
 - D. makes it easy for them to compare the terms of different credit systems.
54. What course of action can a lender take if a debtor's account is past due?
- A. Claim defamation
 - B. File a judicial lien
 - C. Apply for bankruptcy
 - D. Liquidate assets
55. A government charges a \$0.184 tax on each gallon of gasoline, regardless of location or price. This is an example of _____ tax.
- A. sales
 - B. excise
 - C. estate
 - D. capital gains
56. When writing a check, what information goes after the phrase "Pay to the order of"?
- A. Your signature
 - B. The amount paid
 - C. The name of the recipient
 - D. The current date
57. Why is it important to read and reconcile bank statements?
- A. To balance an account
 - B. To calculate interest
 - C. To withdraw excess money
 - D. To make a deposit
58. Who is responsible for verifying that all the information reported on a consumer's credit report accurately reflects his/her personal transactions?
- A. Organizations reporting consumer payments
 - B. Credit bureaus
 - C. Organizations that have extended credit
 - D. Consumers
59. Which of the following is a tool that often helps individuals organize and manage their mortgage, utility, and insurance bills:
- A. Credit report
 - B. Scatter chart
 - C. Daily work calendar
 - D. Monthly payment schedule

60. Craig recently opened a new credit card account. Since he's short on cash, he decides to make only the minimum payments toward his debt each month. At the end of the year, however, he notices that his overall balance has gone up quite a bit. This is a result of
- the cost of credit.
 - income tax.
 - social security.
 - Craig's credit score.
61. If Diedra wants to open a savings account to save money for her dream vacation, she should place her money in a deposit-taking institution, such as a(n)
- investment bank or mortgage company.
 - savings and loan bank or investment bank.
 - commercial bank or credit union.
 - mortgage company or credit union.
62. Which of the following statements is true of good investment brokers:
- They are an investor's personal link to the stock exchange.
 - Most of them are research analysts.
 - They are responsible for making sure the investor makes money.
 - They control an investor's money.
63. A manager looks at financial information to see if the company can afford to purchase a popular new item it wants to add to its shelves. This is an example of using financial information to
- manage debt.
 - increase sales.
 - check up on the competition.
 - reduce expenses.
64. What type of accounting would most likely be used by a small-business owner who does not offer credit?
- COD method
 - Accrual method
 - Cash method
 - Check method
65. When return on capital is positive, the company is
- growing in value.
 - losing value.
 - low on cash.
 - paying out dividends.
66. If you want to avoid excessive debt, which of the following actions should you take:
- Create a budget, and stick to it.
 - Avoid big purchases unless they're impulse buys.
 - Pay the minimum payment due each month on your credit card.
 - Use a credit card for purchases you can't afford.
67. When HR management executives participate in a company's long-range planning efforts, they are taking part in
- financial analysis.
 - marketing.
 - budgeting.
 - strategic management.

68. Which of the following marketing functions focuses on informing all current and potential customers about the business's products:
- Marketing-information management
 - Promotion
 - Product/Service Management
 - Pricing
69. To complete a report about commercial loans, Lola needs to review a specific online article called, "The Truth About Commercial Interest Rate Increases." Which of the following search entries will provide Lola the most accurate results:
- [-the -truth -about -commercial- interest -rate -increases]
 - { truth_commercial interest rate increases }
 - "the truth about commercial interest rate increases"
 - "{ -the _truth _about _commercial _interest _rate _increases - }"
70. When evaluating the reliability of a journal article that addresses a complex issue or topic, it is important to consider the author's
- expertise and knowledge.
 - age and expertise.
 - gender and age.
 - knowledge and gender.
71. Reese is writing a paper for his business class. He wants to include an idea he found in one of his sources. He rewrites the main points in his own words, making sure to attribute his ideas to the original source. Reese is
- plagiarizing.
 - paraphrasing.
 - quoting.
 - summarizing.
72. A risk involved with information management is leaving customers unprotected from
- high prices.
 - bad customer service.
 - identity theft.
 - faulty products.
73. What is the importance of the computer hard drive in a computer system?
- It permanently stores the computer program files and data.
 - It facilitates the computer's audio transmissions.
 - It allows the user to view the computer data.
 - It transmits power to other computer devices.
74. Businesspeople often use the calendar applications on their mobile devices to
- check their email.
 - obtain driving directions.
 - send text messages to clients.
 - track their appointments.
75. Dara is using Google to locate information on the Internet about her research report topic. She is using a search
- machine.
 - engine.
 - technology.
 - group.

76. A business wants to purchase computer software that would store, manage, and retrieve customer information in order to better serve customer needs and increase sales. What type of software should the business buy?
- A. Database
 - B. Spreadsheet
 - C. Word processing
 - D. Computer-aided design
77. The ability to quickly and accurately calculate mathematical data is one of the characteristics of a _____ software program.
- A. spreadsheet
 - B. database
 - C. graphics
 - D. word-processing
78. Stella has just finished designing the web page for her new business. Next, she needs to select a _____ and register the website's _____.
- A. hyperlink, modem
 - B. web host, domain name
 - C. media permit, server
 - D. file link, ethernet
79. Because operations managers control so much of a business's money, they must focus on
- A. keeping costs low.
 - B. hiring the best employees.
 - C. creating effective advertising campaigns.
 - D. generating publicity.
80. An employee notifying a government agency that the business is violating health and safety regulations is an example of
- A. reporting noncompliance.
 - B. spreading gossip.
 - C. unethical behavior.
 - D. verbal communication.
81. One way that businesses maintain the security of data that they send over the Internet to clients is by using a software program that prevents a(n)
- A. attachment from being included.
 - B. virus from being downloaded.
 - C. document from being forwarded.
 - D. search engine from being used.
82. What kind of dangerous situation might result if a new employee operates specialized equipment without having received prior training on how to properly use that equipment?
- A. Personal tension
 - B. Mental stress
 - C. Physical fatigue
 - D. Safety hazard
83. One way that employees can help prevent accidents is by practicing
- A. emergency methods.
 - B. first-aid techniques.
 - C. good health habits.
 - D. security procedures.

84. Which of the following is **NOT** an example of point-of-sale fraud committed by employees:
- A. Accepting a check from a customer who lacks funds to cover it
 - B. Undercharging friends or family members for purchases
 - C. Overcharging customers and keeping the extra money
 - D. Using employee discount privileges for friends or family members
85. Why is it important for business employees to follow established security procedures?
- A. To develop a healthy environment
 - B. To create a pleasant facility
 - C. To avoid the risk of accidents
 - D. To reduce the possibility of loss
86. The people who are impacted by a project in any way are called
- A. workers.
 - B. team members.
 - C. customers.
 - D. stakeholders.
87. A project team decided to meet every week, but after a while, the members realized that monthly meetings would be enough. The project team is monitoring
- A. budget.
 - B. quality.
 - C. risk.
 - D. communications.
88. Which of the following is an indicator that your project is a success:
- A. It is temporary.
 - B. The team is challenged by the work.
 - C. It offers financial value.
 - D. It comes in under budget.
89. Centralized retail buying can become ineffective for a large chain when
- A. purchasing responsibility is shared by buyers.
 - B. its stores are divided into districts.
 - C. all buying is carried out at one location.
 - D. its stores are located very far apart.
90. Which of the following actions would most likely be taken by an organized employee:
- A. Having coworkers prioritize workload
 - B. Thriving on tight deadlines
 - C. Asking for help to complete tasks
 - D. Planning work ahead of time
91. Before trying to generate possible solutions to problems, it is essential to identify all of the
- A. consequences.
 - B. rewards.
 - C. outcomes.
 - D. facts.
92. Laura has made a list of the things she most enjoys doing and the way she likes to spend her time. This list will help Laura
- A. increase her level of ability.
 - B. improve her study habits.
 - C. measure her work skills.
 - D. identify an appropriate career.

93. Employees who arrive at work on time and direct their own work-related activities during the course of the day usually possess positive _____ skills.
- inner-qualitative
 - self-conceptual
 - self-management
 - personal-orientation
94. Tia has many interests and doesn't know which career path is best for her. One method Tia can use to determine the best occupational options for her is to
- develop a general interest questionnaire.
 - have friends and family critique her personality type.
 - complete an aptitude assessment survey.
 - surf the Internet for job descriptions.
95. Taylor works as a public relations manager. His career is in the area of
- marketing research.
 - operations management.
 - professional selling.
 - marketing communications.
96. How do entrepreneurs develop their skills?
- By training and continuous practice
 - By reducing their flexibility
 - By becoming an autocratic leader
 - By seeking little or no advice from others
97. What types of skills are extremely important for an applicant to use effectively during an employment interview?
- Occupational
 - Communication
 - Management
 - Educational
98. A primary purpose of sending a follow-up letter to the interviewer after a job interview is to
- ask for a second interview, if the first interview did not go well.
 - provide detailed information about your integrity and skills.
 - reinforce your qualifications and interest in the position.
 - request more information about the job's salary and benefits.
99. Serving as a volunteer in a specific industry or for a business-related organization is one way that individuals might obtain
- guidance counseling.
 - monetary compensation.
 - technical training.
 - work experience.
100. Which of the following is a benefit that individuals receive from following rules of conduct:
- Increased organizational communication
 - Protection from consequences
 - Less ethical guidance
 - Increased financial compensation

1. B

Common law. Common law is law created by court decisions rather than through written legislation. Since there are no courts that can overrule the U.S. Supreme Court, its decisions have the force of law, including when it rules that a business activity is unconstitutional. This example does not depict the creation of a federal agency, state law, or international law.

SOURCE: BL:163

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

2. C

Reading the review questions at the end of each chapter or section. When reading a textbook, it is helpful to review the questions at the end of the chapter because the review questions' answers typically indicate the most relevant information or key points covered in the chapter or section. Taking detailed notes about each example in the text is not feasible and may not be helpful in identifying the most important information. The glossary defines key terms; however, the glossary does not put the terms in the context needed to understand the text as a whole. Titles and subtitles describe the topics that are to be covered in the text but do not provide detailed information that might be relevant.

SOURCE: CO:055

SOURCE: Education Corner. (2019). *Strategies for reading textbooks*. Retrieved August 19, 2019, from <https://www.educationcorner.com/textbook-strategies.html>

3. D

Company policies identify general company rules. Company policies are rules made in advance by management to assist employees in decision-making. They are typically general rather than specific in nature and relate to the company's overall vision. Company policies also describe to whom the rules apply and why they exist. Company policies and procedures are not the same; company procedures provide more detailed step-by-step plans of how to carry out policies and processes. Company procedures identify very specific employee actions, such as what to do in the event of an emergency.

SOURCE: CO:057

SOURCE: Difference Between.info. (2012-2015). *Difference between policy and procedure*. Retrieved August 19, 2019, from <http://www.differencebetween.info/difference-between-policy-and-procedure>

4. C

Listen with empathy. Empathy is the ability to put oneself in another person's place. Listening with empathy helps the listener understand the speaker's point of view. You should stand a reasonable distance from the speaker. Standing too close may be interpreted as aggressiveness. If you are thinking about what you will say next, you may not hear everything that the speaker says. Background noise exists in all environments and cannot be eliminated.

SOURCE: CO:017

SOURCE: Lehman, C., Dufrene, D., & Walker, D. (2020). *BCON* (10th ed.) [p. 29]. Boston, MA: Cengage Learning, Inc.

5. C

Pay close attention to the question and ask for clarification, if needed. When answering inquiries, it's important to pay close attention to the question. If Matt wants to offer great customer service, he should be sure to ask for clarification, if necessary. He should not answer the question if he doesn't know the answer. He should show the customer that he is interested in his/her question. He shouldn't spend more time than necessary answering customer questions—it's important to be concise when answering inquiries.

SOURCE: CO:060

SOURCE: Means, T. (2019). *Business communication* (3rd ed.) [Lesson 14.1]. Boston, MA: Cengage Learning, Inc.

6. A

Empathic. Being empathic is acting according to an intellectual identification with the thoughts, feelings, values, attitudes, and/or actions of another person. It is often helpful to imagine yourself in your friend's place, to try to understand how s/he feels. By doing so, you often gain insight and can better help your friend by providing thoughtful advice. If you are too formal, judgmental, or businesslike with a friend, you may come across as uncaring, and you may offend your friend.

SOURCE: CO:084

SOURCE: Lehman, C., Dufrene, D., & Walker, R. (2020). *BCOM* (10th ed.) [p. 29]. Boston, MA: Cengage Learning, Inc.

7. D

Being a good listener requires active-listening skills. To be a good listener while handling telephone calls, you need to learn to shut out distractions, put aside what you are working on, and focus on what the speaker is saying. This is not a natural skill, but it is one that can be learned through practice. There will still be times when, no matter how carefully you listen, you will have to ask questions.

SOURCE: CO:114

SOURCE: Lehman, C., Dufrene, D., & Walker, R. (2020). *BCOM* (10th ed.) [p. 29]. Boston, MA: Cengage Learning, Inc.

8. D

Organize his notes in a logical manner. Effective note-taking is essential in school as well as on the job. Regardless of whether you are in a university lecture hall or in a staff meeting, taking notes helps you better remember important information and record facts, figures, and other details that may not be available elsewhere. Notes that are organized in a logical manner are much clearer, more understandable, and easier to read than notes that follow no form at all. When taking notes, it is not necessary to capture every word that is said. Instead, you should focus on the main points and subpoints of the conversation. It is also not necessary to write notes in complete sentences. To save time and space, you should use abbreviations and symbols whenever appropriate.

SOURCE: CO:085

SOURCE: Vanderkam, L. (2015, May 14). *How to master the art of taking better notes*. Retrieved August 19, 2019, from <https://www.fastcompany.com/3046058/how-to-master-the-art-of-taking-better-notes>

9. A

Be thorough. Effective written communication must be thorough and contain all the information necessary for the recipient to respond or react. Effective written communication answers the questions of who, what, when, where, why, and how. Recipients of effective written communication will understand exactly what the senders are trying to convey. Effective written communication should not be repetitious, wordy, or trite.

SOURCE: CO:016

SOURCE: Mulkeen, D. (2016, April 19). *8 top tips for effective business writing*. Retrieved August 19, 2019, from <https://www.communicationaid.com/communication-skills/blog/communication-skills/top-tips-for-effective-business-writing-2/>

10. B

No paragraph indents. Many businesses use the full-block method to format business letters. All components of the letter (date, address, greeting, body, closing, signature block) use left justification, which means all text is aligned on the left margin. Writers using the full-block format do not indent the first sentence of each paragraph. Other formatting characteristics of full-block letters are the use of single-spacing within the paragraphs and the use of double-spacing between the paragraphs.

SOURCE: CO:088

SOURCE: Means, T. (2019). *Business communication* (3rd ed.) [Lesson 7-4]. Boston, MA: Cengage Learning, Inc.

11. C

Clear language. A good business letter should present a message in plain language that is clear and easy to understand. The message should be well organized so that it follows a logical sequence. A combination of long and short paragraphs is more effective than a series of long paragraphs. Popular clichés, catchy phrases, and slang are inappropriate in business letters.

SOURCE: CO:133

SOURCE: Means, T. (2019). *Business communication* (3rd ed.) [Lesson 7-4]. Boston, MA: Cengage Learning, Inc.

12. C

An email requesting vendor pricing and discounts. An inquiry is a request for information. Businesses often send emails requesting information from other businesses. Some requests might include product pricing, membership eligibility, or shipping dates. A performance review, meeting agenda, and financial report provide business information. The information is not an inquiry unless someone asks for something.

SOURCE: CO:040

SOURCE: Roberts, S.J. (2012). *Fundamentals of business communication* (pp. 23-29). Tinley Park, IL: Goodheart-Willcox.

13. D

Fired. An individual's "personal brand" on social media can either positively or negatively influence a company and its ability to achieve its organizational goals. If an individual publicly tweets negative comments about his/her company, s/he is likely to be fired, not promoted. Employees serve as unofficial brand ambassadors for their companies, so it is important that they represent their company well at all times—even online. An individual who publicly tweets negative comments about his/her company may be laughed at, but it is more likely that s/he would be fired. It is unlikely that an employee would be prosecuted for publicly tweeting negative comments about his/her company, since this behavior is protected under free speech laws.

SOURCE: CO:205

SOURCE: America's Job Exchange. (2019). *Don't tweet your way out of a job—It's easy.* Retrieved August 19, 2019, from <http://www.americasjobexchange.com/career-advice/the-dangers-of-twitter>

14. A

A phone call. Interactive communication goes two ways. There is a back-and-forth conversation involved, like on a phone call. Voice mails, letters, and reports are considered static communication because they do not involve interaction. If Penelope wants to use an interactive channel of communication, she should call her employees. She might also consider talking to them in person.

SOURCE: CO:092

SOURCE: Roberts, S.J. (2012). *Fundamentals of business communication* (pp. 23-29). Tinley Park, IL: Goodheart-Willcox.

15. B

Join in the discussion. For staff meetings to be effective, all employees should participate in the discussion. The purpose of staff meetings usually is to discuss issues that are of importance to the business, or to solve problems. Therefore, employees should join in the discussion rather than remain silent because their ideas and opinions are valuable. Employees should not comment on every detail. Employees should adequately explain their ideas, but it is not effective to start an argument with those who disagree.

SOURCE: CO:063

SOURCE: Means, T. (2019). *Business communication* (3rd ed.) [Lesson 13-3]. Boston, MA: Cengage Learning, Inc.

16. C

Takes more time. Group problem-solving takes more time than individual problem-solving because of conflicting schedules, differing opinions, and more discussion. Group problem-solving increases conformity and risk-taking, rather than decreasing them. Finally, group problem-solving increases communication rather than hindering it.

SOURCE: CO:067

SOURCE: Burrow, J.L., Kleindl, B., & Becraft, M.B. (2017). *Business management* (14th ed.) [Lesson 13.2]. Boston, MA: Cengage Learning, Inc.

17. B

Result in customer satisfaction. Making customers feel important is a goal of demonstrating a customer service mindset. Customers should feel welcome and that their satisfaction is important to everyone concerned. By focusing on the customers' needs, employees can increase sales and, in most cases, bring themselves personal fulfillment. The customer service mindset should be practiced by all employees regardless of whether employees have direct contact with customers.

SOURCE: CR:004

SOURCE: Means, T. (2019). *Business communication* (3rd ed.) [Lesson 14.1]. Boston, MA: Cengage Learning, Inc.

18. B

Offend the clients. Businesspeople should try to learn as much as they can about a client's culture, customs, and social values. By understanding and being aware of cultural differences, businesspeople can adapt their communication styles to make a positive impression on their clients, earn their clients' trust, and persuade their clients to buy. Businesspeople who adapt their communication styles are aware of actions that a particular client might view as hospitable, as well as behaviors that the client might find offensive. Offensive behaviors can hinder the ability to build long-term relationships with international clients.

SOURCE: CR:019

SOURCE: Lehman, C., Dufrene, D., & Walker, R. (2020). *BCOM* (10th ed.) [p. 13]. Boston, MA: Cengage Learning, Inc.

19. A

Nature of the business. A business's policies must be appropriate for the type of business. For example, a policy that might be appropriate for an investment business might be inappropriate for a hardware store. Not all business policies are written, and it would not be necessary to display them. The personal preferences of management should not be a consideration. Employees who lack good communication skills can receive training that will improve their skills in communicating policies to customers.

SOURCE: CR:007

SOURCE: Gartenstein, D. (2019). *How to create effective policies*. Retrieved August 19, 2019, from <https://smallbusiness.chron.com/create-effective-policies-14989.html>

20. D

Indecisive. Martha is working with an indecisive customer because the customer is having great difficulty making a choice or buying decision. A suspicious customer doubts or questions everything and may want facts and proof before being convinced something is true. Dishonest customers intentionally attempt to avoid paying part or all of the price for a product. A disagreeable customer is a client who is unpleasant and hard to help because they are argumentative, complaining, irritable, moody, insulting, impatient, and/or have a leave-me-alone attitude.

SOURCE: CR:009

SOURCE: LAP-CR-009—Making Mad Glad (Handling Difficult Customers)

21. D

Reinforce that the customer is making the right buying decision. During the sale, touchpoints should be designed to reinforce that the customer is making the right buying decision. By this point, presale touchpoints should have gotten the customer's attention and shown the benefits the brand offers.

Resolving problems with the product is typically something that occurs after the sale.

SOURCE: CR:001

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

22. A

Conserve the firm's capital goods. Capital goods are manufactured or constructed items that are used to produce goods and services. Trucks that are taken care of will last longer. Adding more trucks would be an example of increasing the number of capital goods. Natural resources are items that are found in nature and used to produce goods and services. Human resources, or workers, are retrained to develop new skills.

SOURCE: EC:003

SOURCE: LAP-EC-014—Be Resourceful (Economic Resources)

23. D

Consumption. The ultimate goal of all economic activity is consumption, which is the economic process or activity of using goods and services. For consumption to occur, goods and services must be produced, or made. Producers, consumers, and resource owners exchange money payments for the use of their goods, services, and resources. Distribution examines how money payments are divided between producers and resource owners.

SOURCE: EC:001

SOURCE: LAP-EC-006—Are You Satisfied? (Economics and Economic Activities)

24. A

Ratio. A ratio is a fixed relation in number or degree between two similar things. Therefore, if the relative price of two items is cut in half or doubles, the ratio would remain the same. Value is the amount of satisfaction that a good or service will provide a customer. A market is any circumstance in which buyers and sellers exchange goods or services for a price. A resource is any item that is used to produce goods or services.

SOURCE: EC:006

SOURCE: LAP-EC-012—When More Is Less (Functions of Price)

25. C

A safe working environment. Most businesses feel this is one of their most important responsibilities toward employees. Few businesses provide free meals or free entertainment on a regular basis. It is impossible to provide a stress-free atmosphere.

SOURCE: EC:070

SOURCE: LAP-EC-070—Business Connections (Business and Society)

26. D

Market economy. A market (free enterprise) economy is an economic system in which individuals and groups, rather than the government, own or control the means of production. A characteristic of a market economy is that individuals and businesses can use their skills and other resources to compete with other individuals and businesses for scarce consumer dollars. A communist command economy is a command economic system in which the government controls the economic system and does not allow private ownership of resources and production. Imperialism occurs when one territory or country takes control, often by force, of the political and economic system of another territory or country. An independent society is a group of people who may or may not be involved in business activities.

SOURCE: EC:009

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

27. A

Prevention. Careful screening of job applicants is one way that businesses attempt to prevent risk by hiring only competent and trustworthy people. In this example, the risk of having incompetent or dishonest employees is not transferred to another business or person, retained by doing nothing, or avoided by not hiring employees at all.

SOURCE: EC:011

SOURCE: LAP-EC-003—Lose, Win, or Draw (Business Risk)

28. D

Direct. Direct competition is the rivalry between or among businesses that offer similar types of goods or services. Price competition is a type of rivalry between or among businesses that focuses on the use of price to attract scarce customer dollars. Indirect competition is a rivalry between or among businesses which offer dissimilar goods or services. Strict competition is a distractor.

SOURCE: EC:012

SOURCE: LAP-EC-008—Ready, Set, Compete! (Competition)

29. C

Motivated. Achievement-oriented, emotionally intelligent people are motivated. They have a strong desire to succeed. They often set high standards for themselves so that whatever they do is evaluated in terms of their goals. Achievement-oriented, emotionally intelligent people are not necessarily prosperous or impatient. Transparent people are who they say they are and have nothing to hide.

SOURCE: EI:001

SOURCE: LAP-EI-001—EQ and You (Emotional Intelligence)

30. C

To develop a positive aspect of her life. Affirmations are positive statements about present or desired strengths. These are things that you want to accept, incorporate, or develop. Carrying around 3x5 index cards for a week would be unproductive if Mary does not write positive affirmations relating to her development of motivation on the job. To daydream about being a superstar in life does not advance Mary's self-esteem. The difference between self-esteem and affirmations is that self-esteem is the way people feel about themselves, and an affirmation is a positive statement, or statements, that assist in the development or improvement of a person's self-esteem.

SOURCE: EI:016

SOURCE: Sheridan, K. (2019). *How to boost your self-esteem & confidence in the work place*.

Retrieved August 19, 2019, from <https://smallbusiness.chron.com/boost-self-esteem-confidence-work-place-23101.html>

31. B

Adaptability. This is the ability to be flexible and to change with the times. Friendliness means to display good feelings toward others. Loyalty means giving steady support. Tact is the ability to say the right thing in all circumstances.

SOURCE: EI:018

SOURCE: LAP-EI-009—You've Got Personality (Personality Traits in Business)

32. D

Self-confidence. Self-confidence is a positive belief in your own talents, skills, and objectives. Ethical standards are the basic principles or unwritten rules that govern your behavior and help you recognize right from wrong. Systematic behavior involves conducting activities in an organized, logical, and methodical manner. Empathy is the ability to put yourself in another person's place.

SOURCE: EI:023

SOURCE: Mind Tools. (n.d.). *Building self-confidence*. Retrieved August 19, 2019, from <http://www.mindtools.com/selfconf.html>

33. B

Lies are hard to keep track of. Honesty is the best policy. It's hard to keep track of lies, and they tend to sneak up on you after a while. Lies may get you out of trouble or turn a bad situation around for a short time, but, in the end, you will be in more trouble for lying. Liars lose respect, never gain it.

SOURCE: EI:021

SOURCE: LAP-EI-021—Make the Honor Role (Acting Responsibly)

34. D

Consistent. Consistency means treating everyone the same regardless of the situation or circumstances. Since Bill treats all of his staff the same way, he is being consistent. This situation does not show that Bill is empathetic, biased, or generous.

SOURCE: EI:127

SOURCE: LAP-EI-127—Fair or Foul? (Demonstrating Fairness)

35. B

Buying a jacket. Buying a jacket is a limited decision that is not made frequently and involves some degree of consideration. Brushing your teeth and ordering lunch are everyday decisions that are considered routine decisions. Getting married is an extensive decision because it carries a lot of risk and a long-term impact.

SOURCE: EI:091

SOURCE: LAP-EI-091—Worth the Risk (Assessing Risks of Personal Decisions)

36. A

Desire to prove yourself. The desire to look good at work or at school can lead to ethical dilemmas. If, for example, you want to prove yourself at school, you may be tempted to cheat on your tests. This is not an example of being influenced by conflicting values, pressure from others, or bad role models.

SOURCE: EI:124

SOURCE: LAP-EI-124—What's the Situation? (Reasons for Ethical Dilemmas)

37. D

Technology hampers one's ability to manage commitments. Technology makes it difficult to manage commitments because it is easier to do more—and to do more at once. Jon finds it difficult to focus on getting one task done because of the constant presence of his email, prompting him to take on other commitments before he finishes the first. This is not an example of how organization leads to overcommitment, how commitment leads to professional success, or how perfectionism allows people to better manage commitments.

SOURCE: EI:077

SOURCE: LAP-EI-077—Commit to It! (Managing Commitments in a Timely Manner)

38. C

Have a positive attitude. Self-control helps you have a positive attitude, which is very important to successful living. Self-control helps you replace negative thoughts with positive approaches to problems. In this example, Jennifer's self-control helped remind her that life may be full of difficult situations, but it is also full of opportunities. Self-control helps people in difficult situations avoid reacting negatively or in a defensive manner. People who exhibit self-control often are able to respond factually, even in difficult situations.

SOURCE: EI:025

SOURCE: LAP-EI-014—Control Yourself! (Demonstrating Self-Control)

39. C

Necessary. Criticism is used by your employer or supervisor to let you know how you can improve your job performance. It lets you know what you are doing wrong and what is expected of you. Constructive criticism is not cruel or senseless. Fair criticism is not only tolerable but valuable and desirable.

SOURCE: EI:003

SOURCE: LAP-EI-015—Grin and Bear It (Using Feedback for Personal Growth)

40. C

To respect their privacy. Some businesses consider email to be corporate property and routinely monitor the messages that employees send and receive. If a business monitors email, it should inform its employees in order to respect their privacy. Employees have the right to know if someone in the business will read their email so that they can decide the type of information they will include. They might not want to send or receive personal messages if they know a manager might read their mail. A business that informs employees that their email will be monitored is communicating a policy. Businesses do not inform employees that their email will be monitored to reduce their liability or to control operating costs.

SOURCE: EI:029

SOURCE: Lehman, C., Dufrene, D., & Walker, R. (2020). *BCOM* (10th ed.) [pp. 90-91]. Boston, MA: Cengage Learning, Inc.

41. B

Nonverbal communication. Nonverbal communication is forms of communication that do not involve the use of words. It may include facial expression, body posture or movement, eye contact, and appearance. In this situation, the staff members are using body movements to express approval. This is not inappropriate behavior. The group is making an animated response, but it does not involve conversation or sign language, which is a formal kind of communication method using signs to represent letters and words.

SOURCE: EI:007

SOURCE: Lehman, C.M., & Dunfrene, D.D. (2011). *Business communication* (16th ed.) [pp. 47-56]. Mason, OH: South-Western Cengage Learning.

42. C

Assertiveness. Assertiveness is a positive trait that is vital to personal happiness and career success. Passiveness is the failure to exercise personal rights and a lack of respect for personal needs.

Defensiveness is an attitude of constantly expecting to be attacked. Aggressiveness is a negative trait, and aggressive behavior is characterized by a willingness to ignore the rights of others and to exploit them to achieve personal goals.

SOURCE: EI:008

SOURCE: LAP-EI-018—Assert Yourself (Assertiveness)

43. B

Improve performance in many areas. A quality circle is a team of employees with similar roles who meet regularly to discuss issues and solve problems. Quality circles stay intact from project to project and seek to make improvements in a wide range of areas across the organization. Quality circles generally do not seek to solve a large organizational problem, complete a specific one-time task, or increase social contact among organizations.

SOURCE: EI:045

SOURCE: LAP-EI-045—Team Up (Participating as a Team Member)

44. A

Show her why ethical behavior is valuable to her and others. Many people ignore ethics because they don't realize how important ethics are—and how serious the consequences of unethical behavior can be. Sasha does not see the importance of behaving ethically in regard to her homework. To best help her, you should make sure she understands why it is important to be ethical. She will then be more likely to do so. You should not necessarily report her behavior to your teacher because Sasha has not done anything wrong, yet. While it is a good idea to follow the rules, Sasha's belief that ethics aren't valuable likely won't change just from noticing what you do. Finally, telling Sasha that you do not approve of her decision to cheat wouldn't be as effective as explaining why ethical behavior is valuable.

SOURCE: EI:132

SOURCE: LAP-EI-132—Practice What You Preach (Modeling Ethical Behavior)

45. C

Reachable goals. Individuals who have an achievement orientation want to do their best and be successful. One way to develop an achievement orientation is to establish reachable goals. Achieving goals builds confidence and self-esteem and encourages individuals to continue achieving. If the goals are unrealistic, individuals might fail, which often leads to giving up rather than trying to achieve in the future. To achieve the goals, it is often necessary to establish firm deadlines. Establishing personal relationships and safe conditions are not ways of developing an achievement orientation.

SOURCE: EI:027

SOURCE: LAP-EI-027—High Hopes (Developing an Achievement Orientation)

46. A

Celebrate success. Leading change can be a long, hard process. Change leaders should celebrate a successful change with everyone who was involved. They should address resistance before the change is complete. Explaining why the change is necessary and creating a communication plan are tasks that should be done early in the change process.

SOURCE: EI:005

SOURCE: LAP-EI-022—Start the Revolution (Leading Change)

47. A

Vision. A vision for a business is what the business wants to become. Management and employees have a shared vision when they have the same idea of what the business is capable of being in the future. When everyone in the business shares the vision, that vision has a better chance of becoming a reality because everyone is working for the same future. A business might realize a vision by setting several goals to achieve. A vision is more than a dream or an idea.

SOURCE: EI:060

SOURCE: LAP-EI-060—Vision Quest (Enlisting Others in Vision)

48. A

Carrying your own weight. Calling in sick only if you are truly sick is an example of carrying your own weight in the process of building positive working relationships. When you carry your own weight, you are not making your coworkers pick up unnecessary slack. Although calling in only when you're truly sick does not demonstrate getting to know others on your work team, your honesty does relate to having a good attitude and being cooperative. The example is best, however, for carrying your own weight as you foster positive working relationships.

SOURCE: EI:037

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

49. D

You will face conflicting viewpoints many times in life. There will be plenty of instances in your life when you will be confronted with viewpoints and opinions that conflict with each other, including at home, at school, and at work. It is important, therefore, that you learn how to handle them so that you can be a successful student, employee, and citizen. Other people's opinions are not always wrong, and you don't need to know how to convince others that you are right. It is not impossible for people to change their minds.

SOURCE: EI:136

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

50. B

Deciding whether to lie to a friend. When you're dealing with an ethical situation, you're deciding whether something is right or wrong. Often in an ethical situation, if you pick the wrong choice, someone (or something) could be harmed. This doesn't necessarily mean that the issue must be life or death, but that the wrong action could cause someone or something to be hurt. When you're deciding whether or not to lie to a friend, there is a right and wrong decision. There is no right or wrong decision when you're deciding what to eat for lunch, what to buy, or what movie to see.

SOURCE: EI:123

SOURCE: LAP-EI-123—Rules To Live By (Nature of Ethics)

51. D

Currency. Currency is the money that a country uses to buy and sell goods and services. There are several types of currency. For example, coins and paper money are types of currency because they can be used to buy products. Coins and paper money generally are used by individuals to purchase the products they need. Bonds are interest-bearing certificates issued by the government that promise to pay bond owners a certain sum at a specified time. A dividend is a sum of money paid to an investor or stockholder as earnings on an investment. Dividends are often sent to the investor in the form of a check. A contract is a legal agreement between two or more businesses stating that one party is to do something in return for something provided by another party.

SOURCE: FI:059

SOURCE: Frankenfield, J. (2019, July 14). *Currency*. Retrieved August 19, 2019, from <http://www.investopedia.com/terms/c/currency.asp>

52. D

Increases your savings over your lifetime. Investing can help you build wealth and meet your financial goals because it often increases the value of your money over time. Investing does not guarantee that you will not lose any money; however, if you invest wisely, it is unlikely that you will suffer significant losses overall. Investing does require money to begin, but it does not require a lot of money. You can invest as little or as much as you would like. While investing can be a good way to ensure your future financial health, it does not eliminate the need to save for retirement.

SOURCE: FI:062

SOURCE: Caldwell, M. (2019, March 7). *How to begin to build wealth*. Retrieved August 19, 2019, from <https://www.thebalance.com/how-do-i-begin-to-build-wealth-2386145>

53. B

Gives them the right to inspect the files of their credit history. This lets the consumer make sure that there are no errors in the report or, if errors exist, to have them corrected. The Truth-in-Lending Act makes it easy for consumers to compare the terms of different credit systems and provides guidelines that institutions must use in extending credit. The Equal Credit Opportunity Act protects consumers from being discriminated against when applying for credit.

SOURCE: FI:002

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

54. B

File a judicial lien. A lien is a legal claim to an item of property that protects the seller if the buyer does not complete his/her payments. If a debtor does not make payments as promised, the lender can take legal action to obtain the debtor's assets or items of collateral, such as a home, car, etc. The debtor, rather than the lender, may need to liquidate assets to fulfill her/his legal obligation to the lender. If the debtor doesn't have any assets, s/he may need to file for bankruptcy. Defamation involves writing or saying something that damages an individual's or an organization's reputation.

SOURCE: FI:063

SOURCE: USLegal. (1997-2019). *Judicial lien law & legal definition*. Retrieved August 19, 2019, from <http://definitions.uslegal.com/j/judicial-lien/>

55. B

Excise. Excise taxes are specific, targeted taxes that are applied to specific goods and use a flat rate. In contrast, sales tax applies to almost every purchase and is a percentage of the sale price. Sales taxes also vary by state and by the type of item bought. Estate tax is imposed on the transfer of property upon the death of the owner. Capital gains tax is charged on profits made from the sale of assets such as stock or real estate.

SOURCE: FI:067

SOURCE: Fay, B. (2019). *Types of taxes*. Retrieved August 19, 2019, from <https://www.debt.org/tax/type/>

56. C

The name of the recipient. When writing a check, the name of the check's recipient goes on the line after the phrase "Pay to the order of." The amount paid goes on the line below. The signature goes in the bottom right corner. The current date goes in the top right corner.

SOURCE: FI:560

SOURCE: Pritchard, J. (2019, May 14). *See how to write a check—Step-by-step explanation*. Retrieved August 28, 2019, from <https://www.thebalance.com/how-to-write-a-check-4019395>

57. A

To balance an account. Reconciling bank statements involves comparing the entries in a checkbook with the entries listed on the bank statement. This procedure is also known as balancing an account. The purpose is to determine the actual amount of money that is in the account. To do this, it may be necessary to add in deposits that have not been posted or subtract checks that have not cleared. If the checking account pays interest, that amount will be listed on the bank statement. It is not necessary to read and reconcile bank statements to withdraw excess money or to make a deposit.

SOURCE: FI:070

SOURCE: Ryan, J.S., & Ryan, C. (2017). *Personal financial literacy* (3rd ed.) [Lesson 5-1d]. Boston, MA: Cengage Learning, Inc.

58. D

Consumers. Consumers should monitor their credit reports because an error could be made by any organization contributing information to a credit bureau. Monitoring credit reports is also helpful in detecting fraud. Credit bureaus can help resolve errors on a consumer's credit report, but they are not responsible for verifying all the credit information contained within a report. Organizations that have extended credit or reported consumer payments can only verify transactions that involved those organizations.

SOURCE: FI:072

SOURCE: Madura, J., Casey, M., & Roberts, S. (2014). *Personal financial literacy* (2nd ed.) [pp. 156-165]. Mason, OH: South-Western Cengage Learning.

59. D

Monthly payment schedule. Developing a monthly payment schedule can help individuals organize, manage, and pay their bills on time. Computer spreadsheets, schedule templates, and calendars are several effective ways to manage the bill-paying process. Regardless of the format used, individuals should note the payee's name, amount due, due date, date paid, and the method of payment. If writing a check, the check number should also be noted on the payment schedule. Individuals do not organize and manage their bills by using a scatter chart, a work calendar, or credit report.

SOURCE: FI:565

SOURCE: Haagensen, E. (2019, June 25). *Procrastinator's guide to bill payment*. Retrieved August 19, 2019, from <https://www.investopedia.com/articles/pf/08/stop-paying-bills-late.asp>

60. A

The cost of credit. When you take out a line of credit, you agree to terms and conditions that outline how and when you will pay the money back. Most lines of credit have interest rates, which means that the lender can collect additional money from you if you fail to pay back the loan by a certain time. By making only the minimum payment each month, Craig's credit balance would have increased due to accumulated interest. The increased balance would not be a result of income tax, social security, or Craig's credit score.

SOURCE: FI:782

SOURCE: Vohwinkle, J. (2019, June 25). *The true cost of credit cards*. Retrieved August 19, 2019, from <https://www.thebalance.com/the-true-cost-of-credit-cards-1289627>

61. C

Commercial bank or credit union. Savings and loan banks, commercial banks, and credit unions are deposit-taking institutions. A credit union is a nonprofit financial cooperative set up to provide savings and credit services to its members, who own the credit union. Commercial banks offer a variety of services for consumers including checking and savings accounts, credit cards, and automobile loans. A savings and loan bank is a financial institution that offers savings accounts and makes loans to borrowers, most of which are for real-estate purchases. An investment bank is a financial intermediary that underwrites securities and facilitates mergers. A mortgage company specializes in real-estate (property) loans.

SOURCE: FI:075

SOURCE: State of Connecticut. (2019). *ABC's of banking*. Retrieved August 19, 2019, from <https://portal.ct.gov/DOB/Consumer/Consumer-Education/ABCs-of-Banking—Banks-Thrifts-and-Credit-Unions>

62. A

They are an investor's personal link to the stock exchange. Investment brokers are licensed and registered "middlemen"—without them, you can't invest. Brokers are the only people who are authorized to buy and sell securities, so they are an investor's personal link to the stock exchange. Brokers are not research analysts. Research analysis is a separate part of a brokerage house where in-depth investigation of companies and industries takes place. Brokers are salespeople—they get paid to make transactions for investors. Brokers are responsible for providing suitable investment council at all times, but this doesn't necessarily mean they're responsible for making the investor money. It just means that the advice a broker gives has to make sense for the present financial situation. Good brokers realize that the investor is ultimately in control of his or her own money. While a broker can make suggestions for the investor to consider, s/he shouldn't pressure the investor into making any decisions.

SOURCE: FI:076

SOURCE: Beers, B. (2019, June 25). *How to pick a broker*. Retrieved August 19, 2019, from <https://www.investopedia.com/articles/younginvestors/06/firstbroker.asp>

63. B

Increase sales. Businesses often want to add new products to their offerings as a way to increase sales. They need to study financial information to make sure they can afford to do so. Adding new products is not managing debt, checking up on the competition, or reducing expenses.

SOURCE: FI:579

SOURCE: LAP-FI-009—By the Numbers (The Need for Financial Information)

64. C

Cash method. Many small businesses that do not offer credit use the cash method because it tracks the actual amount of cash that the business has on hand. With the cash accounting method, income and expenditures are recorded at the time the money changes hands. Expenses are not recorded when they are incurred but on the date that the bills for them are paid. The accrual method records the expense at the time it is incurred, even if a check is used to pay the bill. COD and check are methods of payment but not accounting methods.

SOURCE: FI:085

SOURCE: LAP-FI-085—Show Me the Money (Nature of Accounting)

65. A

Growing in value. When return on capital is positive, the company is growing in value. When return on capital is negative, the company is losing value. A high return on capital would not indicate that a company is low on cash. Businesses can have a high return on capital but not pay out dividends.

SOURCE: FI:354

SOURCE: LAP-FI-007—Money Matters (Role of Finance)

66. A

Create a budget, and stick to it. The best way to avoid debt is to not spend more money than you have. This means creating a budget and sticking to it! Sometimes big purchases (such as cars, houses, or a college education) are necessary, but they should never be impulse buys. Big purchases should be planned (and budgeted) for. Making just the minimum payment each month can lead to lots of interest, which you don't want if you're trying to avoid debt. If possible, you should always pay off the full balance on your credit card. Using credit cards for purchases you can't afford is dangerous and can quickly lead to excessive debt if you aren't careful. It's a good idea not to charge purchases to your credit card if you know you won't be able to pay for them when your bill comes.

SOURCE: FI:568

SOURCE: Irby, L. (2019, June 25). *How to manage debt of any size*. Retrieved August 19, 2019, from <https://www.thebalance.com/how-to-manage-your-debt-960856>

67. D

Strategic management. When HR management executives participate in a company's long-range planning efforts, they are taking part in strategic management. Strategic management may take into account marketing, budgeting, and financial analysis, but HR managers will be present to ensure that the company is planning *now* to have the human resources it needs tomorrow.

SOURCE: HR:410

SOURCE: LAP-HR-035—People Pusher (Nature of Human Resources Management)

68. B

Promotion. The promotion function focuses on informing customers about new products, improved products, new uses for existing products, and special values on products. Businesses use a variety of communication channels to inform customers about products including advertising and sales promotion. The marketing-information management function focuses on gathering, accessing, synthesizing, evaluating, and disseminating information to aid business decision-making. The product/service management function focuses on obtaining, developing, maintaining, and improving a product mix in response to market opportunities. The pricing function focuses on determining and adjusting prices to maximize return and meet the customers' perceptions of value.

SOURCE: MK:002

SOURCE: LAP-MK-001—Work the Big Seven (Marketing Functions)

69. C

"The truth about commercial interest rate increases." When you place quotes around a phrase or title in the search field, the search engine will show results only for those websites containing that exact phrase. Placing a dash in front of the word means that you do not want the word included in the search. Placing an underscore between words and parentheses around the phrase is less likely to retrieve the exact results desired.

SOURCE: NF:078

SOURCE: Google. (2019). *Refine web searches*. Retrieved August 19, 2019, from <https://support.google.com/websearch/answer/2466433?hl=en>

70. A

Expertise and knowledge. An important consideration when evaluating the reliability of a journal article is the author's expertise and knowledge about the subject matter. Age and gender are not primary factors to consider when evaluating the reliability of a journal article that addresses a complex issue or topic.

SOURCE: NF:079

SOURCE: University of Southern Queensland. (n.d.). *Using the R.E.V.I.E.W. method*. Retrieved August 28, 2019, from https://lor.usq.edu.au/usq/file/f9ec7f38-3676-4197-9e68-c6739cba79b0/1/evaluating-research-resources.zip/content/index.html#/lessons/MOSKsWQL4Xa60zyzBsGN-E188F7svvk4?_k=oxrdq3

71. D

Summarizing. Quoting, paraphrasing, and summarizing are all ways to incorporate another writer's work into your own. Although they are similar, there are key differences among them. Quoting occurs when you use someone else's text word-for-word. Paraphrasing involves using a section of the source material, but putting it into your own words. What Reese is doing is summarizing—putting the ideas in the source material into his own words but including only the main points. His summary will be much shorter than the original text, since he's only including the most important information. Quoting, paraphrasing, and summarizing are not the same as plagiarizing. Plagiarizing occurs when you use someone else's words or ideas and don't credit him/her. That's not what Reese is doing, since he's being careful to cite the original source. Avoiding plagiarism is very important, since it's dishonest, and it can have negative consequences at school or work.

SOURCE: NF:080

SOURCE: The OWL at Purdue. (1995-2019). *Quoting, paraphrasing, and summarizing*. Retrieved August 19, 2019, from https://owl.purdue.edu/owl/research_and_citation/using_research/quoting_paraphrasing_and_summarizing/index.html

72. C

Identity theft. A risk involved with information management is leaving customers unprotected from identity theft. An information management program that does not use technology properly may put customers' personal information at risk. Appropriate information management will not necessarily protect customers from bad service, high prices, or faulty products.

SOURCE: NF:110

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

73. A

It permanently stores the computer program files and data. The hard drive is the component of the computer's central processing unit (CPU) that stores the computer's program files and inputted data. A sound card is a device that transmits sound waves through the computer so the user can hear audio elements. A computer monitor allows the user to view the computer data. The power supply transmits power to other computer devices (e.g., printer) so they can operate.

SOURCE: NF:084

SOURCE: Lacoma, T. (2018, March 19). *What is a hard drive?* Retrieved August 19, 2019, from <https://www.digitaltrends.com/computing/what-is-a-hard-drive-your-guide-to-computer-storage/>

74. D

Track their appointments. Most mobile devices have calendar and scheduling applications that allow users to set and track their tasks and appointments. Mobile devices also include Internet access to check email, text-messaging functions to send text messages to clients, and global positioning systems (GPS), which are navigational tools that help users obtain driving directions.

SOURCE: NF:005

SOURCE: Wax, D. (n.d.) *Use your mobile phone to stay organized on the go*. Retrieved September 4, 2019, from <https://www.lifehack.org/articles/featured/use-mobile-phone-to-stay-organized-on-the-go.html>

75. B

Engine. Search engines (such as Google, Yahoo, or Bing) find web pages that correspond to the phrases, key words, or topics you enter. If Dara searches for her research report topic, she will receive results that correspond to that topic. Search engines are not referred to as machines, technologies, or groups.

SOURCE: NF:006

SOURCE: Kimmoms, J. (2019, February 4). *What is a search engine?* Retrieved September 4, 2019, from <https://www.thebalancesmb.com/search-engine-2867354>

76. A

Database. A database program allows the organized collection of information with pieces of information related to one another. This information can be used to maintain, analyze, and combine customer information. Spreadsheets, word-processing software, and computer-aided design do not perform the functions required by the business.

SOURCE: NF:009

SOURCE: Chapple, M. (2019, July 10). *What is a database?* Retrieved August 28, 2019, from <https://www.lifewire.com/what-is-a-database-1019737>

77. A

Spreadsheet. Spreadsheet software programs are designed to organize, calculate, and analyze mathematical or numerical information. Businesses are able to enter mathematical information into rows and columns, and the software provides accurate calculations in a matter of seconds. Database software programs maintain information according to specific criteria. Word-processing software programs are used to create text documents. Graphics software programs are used to combine text and pictures to create visual impact.

SOURCE: NF:010

SOURCE: Masters, T. (2019, January 28). *Spreadsheets vs. databases.* Retrieved August 19, 2019, from <https://smallbusiness.chron.com/spreadsheets-vs-databases-53907.html>

78. B

Web host, domain name. After creating a web page, the developer needs to post the web page through a web host (web server) or Internet service provider (ISP). The web host may charge a fee to post and store the web page, although some web hosts will provide the service free of charge. The domain name is the business's web address. Internet users enter the web address to view Stella's website. Stella can register her domain name directly with the Internet Corporation for Assigned Names and Numbers (ICANN). Or, Stella can work with her web host to register the domain name for her. Stella does not need to register a hyperlink, media permit, or file link with any organization. A hyperlink (link) is the component of an electronic document (file) that can be clicked on in order to jump to another place within the document or into a different document. A modem is an internal or external computer communications device that is used to transmit information over a particular medium such as telephone lines or television cables. Ethernet is a local area network.

SOURCE: NF:042

SOURCE: Tester, A. (2016, December 21). *Publishing your website in three steps.* Retrieved August 19, 2019, from <http://www.webhostingsearch.com/articles/how-to-publish-your-website.php>

79. A

Keeping costs low. Because operations managers control so much of a business's money, they must focus on keeping costs low. Operations managers are not responsible for hiring employees, creating advertising campaigns, or generating publicity.

SOURCE: OP:189

SOURCE: LAP-OP-189—Smooth Operations (Nature of Operations)

80. A

Reporting noncompliance. Certain government agencies have developed health and safety regulations that businesses are expected to follow in order to provide employees with a safe work environment. If businesses do not comply with these regulations, they should be reported for noncompliance so the necessary action can be taken to solve the problem and make the workplace safe for employees. The goal is to correct dangerous situations and keep the workplace safe. An employee notifying a government agency is not an example of spreading gossip, unethical behavior, or verbal communication. In fact, the employee is exhibiting ethical behavior. Also, the employee may have notified the agency in writing which is nonverbal communication.

SOURCE: OP:005

SOURCE: OSHA Education Center. (2019) *How to report labor violations.* Retrieved August 19, 2019, from <https://www.oshaeducationcenter.com/articles/reporting-labor-violations/>

81. C

Document from being forwarded. Some businesses use software programs that help maintain the security of data they send over the Internet to clients. These programs prevent documents from being forwarded to others so the information does not end up in the hands of competitors. Also, these programs prevent others from copying, editing, or printing the documents which helps maintain the information in its original form. These software programs do not prevent a virus from being downloaded, an attachment from being included, or a search engine from being used.

SOURCE: OP:064

SOURCE: Bartlett, M. (2016, February 13). *Disable email forwarding in Outlook 2016 & 2013*. Retrieved August 19, 2019, from <https://www.technipages.com/outlook-disable-email-forwarding>

82. D

Safety hazard. A safety hazard is any situation that has the potential to cause bodily harm. Machines and equipment can be hazardous to workers who don't know how to use them. Using specialized equipment without prior training can result in possible injury to the employee or a coworker. Stress is a mental or emotional feeling of pressure or tension. Fatigue is a state of mental or physical tiredness. Tension is stress.

SOURCE: OP:007

SOURCE: Mathis, R.L., Jackson, J.H., Valentine, S.R., & Meglich, P.A. (2019). *Human resources management* (15th ed.) [Lesson 14.3c]. Boston, MA: Cengage Learning, Inc.

83. C

Good health habits. Practicing good health habits helps reduce the risk of carelessness, which commonly causes workers to make errors that result in accidents. People who eat a balanced diet, get plenty of sleep, and exercise regularly are more rested, alert, and able to concentrate on their work. Practicing first-aid techniques, emergency methods, and security procedures will not help employees prevent accidents, but they should be trained in those areas in order to properly deal with accidents once they have occurred.

SOURCE: OP:009

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 564-566]. Tinley Park, IL: The Goodheart-Willcox Co.

84. A

Accepting a check from a customer who lacks funds to cover it. This is an example of customer fraud. Even though the employee may follow all procedures for handling checks, the check may still be "bad" because the customer does not have enough money in the bank to cover the check. An employee commits fraud when deliberately causing losses to the business by overcharging and keeping the difference, undercharging friends, and misusing the discount privilege.

SOURCE: OP:013

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2014). *Marketing dynamics* (3rd ed.) [pp. 682-683]. Tinley Park, IL: Goodheart-Willcox.

85. D

To reduce the possibility of loss. Businesses establish security procedures, which are activities that employees should follow to protect the business from loss. These security procedures are intended to reduce the risk of robbery, assault, and other violent crimes, all of which might result in a loss for the business. For example, robbery usually results in financial loss. Employees do not follow established security procedures to create a pleasant facility, avoid the risk of accidents, or develop a healthy environment.

SOURCE: OP:152

SOURCE: Hudson, M. (2018, December 31). *Shoplifting prevention 101: A guide to stopping retail theft*. Retrieved August 19, 2019, from <https://www.thebalancesmb.com/shoplifting-prevention-101-2890256>

86. D

Stakeholders. Stakeholders are people who are impacted by the project in any way. Customers, team members, and workers might be stakeholders, but they are not the only people who are impacted by the project.

SOURCE: OP:519

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

87. D

Communications. Project teams usually develop a communications plan that they follow throughout the course of the project. Communications between teams and stakeholders need to be monitored.

Monitoring communications includes making sure your planned communications are appropriate for your project, such as the project team determining that biweekly meetings were more appropriate than weekly meetings. This example does not involve monitoring budget, quality, or risk.

SOURCE: OP:520

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

88. C

It offers financial value. When it comes down to it, money matters. A successful project should bring money in rather than waste it. Whether or not the team is challenged by the project's work does not necessarily indicate project success. Successful project outcomes are sustainable rather than temporary. Finally, projects that come in under budget can be successful, but not in every instance.

SOURCE: OP:521

SOURCE: LAP-OP-521—Making the Grade (Evaluating Project Success)

89. D

Its stores are located very far apart. Retail chains can grow so large that centralized buying no longer is effective. To correct this, the chains switch to decentralized buying in which the country is divided into districts, and district managers take responsibility to buy for district stores. Having buying carried out in one location and giving purchasing authority to buyers of different lines help make centralized buying effective.

SOURCE: OP:015

SOURCE: LAP-OP-002—Buy Right (Purchasing)

90. D

Planning work ahead of time. Planning work involves scheduling activities and making sure to have the supplies needed to complete tasks. This helps effectively manage time, so work can be done at a relaxed pace. Generally, employees who work at a relaxed pace do not make as many mistakes as those employees who are rushed and work on unnecessarily tight deadlines. Planning work often leads to greater productivity and efficiency, which means an employee is less likely to impose on coworkers for help to complete a task or project on time.

SOURCE: PD:009

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

91. D

Facts. This is a critical step in the problem-solving process and should be done immediately after the problem has been defined. Conduct an inventory of the facts by making lists or diagrams. It is not always possible to identify all the outcomes or consequences of a possible solution in advance. Solving problems does not always bring rewards other than the elimination of the problem.

SOURCE: PD:077

SOURCE: LAP-PD-077—No Problem (Demonstrating Problem-Solving Skills)

92. D

Identify an appropriate career. In order to find out which career would be most appropriate for you, you first need to know yourself. This involves identifying the things that interest you, as well as assessing your skills, aptitudes, and other traits. Assessing your interests will not help you increase your level of ability. It also will not help in measuring work skills or improving study habits.

SOURCE: PD:013

SOURCE: Jordan, A., & Crews, T.B. (2019). *Investigating your career* (3rd ed.) [p. 12]. Boston, MA: Cengage Learning, Inc.

93. C

Self-management. The ability to control one's own activities, behaviors, and attitudes in the workplace is often referred to as self-management. Employees who make a conscious effort to get to work on time each day are engaging in positive self-management skills. Other activities that employees can control in the workplace might include their ability to perform and produce quality work in a given time, willingness to learn new activities, level of flexibility, and degree of workplace socializing. Self-concept refers to how one views him/herself. Inner-qualitative and personal-orientation are not terms frequently used to describe self-control issues as they relate to the workplace.

SOURCE: PD:020

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

94. C

Complete an aptitude assessment survey. Many people have a difficult time selecting a career path that is right for them. Some people complete professionally developed aptitude assessment surveys to help them determine their aptitudes and skills. By considering factors such as personality type, abilities, interests, and learning style, a person can use the survey results to determine the career for which s/he is best suited. Although constructive input from friends and family might help Tia in assessing her career options, the information may not provide her with the objectivity and the detail she would receive from a professionally developed assessment survey. Developing a general interest questionnaire and surfing the Internet for job descriptions are not activities that will provide her with guidance in terms of her specific career selection.

SOURCE: PD:023

SOURCE: Jordan, A., & Crews, T.B. (2019). *Investigating your career* (3rd ed.) [Lesson 3-2]. Boston, MA: Cengage Learning, Inc.

95. D

Marketing communications. Taylor's career in public relations is in the area of marketing communications. Marketing communications involves marketing activities that inform, remind, and/or persuade the targeted audience of ideas, experiences, goods/services, and/or images. Examples of marketing communications techniques include advertising, direct marketing, digital marketing, publicity/public relations, and sales promotion. Taylor's career is not in the areas of operations management, professional selling, or marketing research. 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 professional selling involve marketing and management activities that determine customer needs/wants and respond through planned, personalized communication to influence purchase decisions and enhance future business operations. Marketing research jobs focus on marketing activities that involve determining information needs, designing data-collection processes, collecting data, analyzing data, presenting data, and using data for marketing planning.

SOURCE: PD:025

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

96. A

By training and continuous practice. Skill is defined as the ability to perform a task that is developed through knowledge, training, and practice. Entrepreneurs also grow by learning to be flexible and seeking advice from others. Flexibility is the ability to adapt to changes as they occur. When entrepreneurs seek advice, they exhibit open-minded behavior. Being open-minded is the ability to see different viewpoints. Being open-minded and flexible are behaviors that successful entrepreneurs generally exhibit. Autocratic leadership is a dictatorial style of leading in which the leader determines all policies, maintains close control, and lets employees know only what they need to know in order to do the job. Possessing this form of leadership does not necessarily help entrepreneurs develop the skills they need.

SOURCE: PD:066

SOURCE: LAP-PD-066—Own Your Own (Career Opportunities in Entrepreneurship)

97. B

Communication. Good communication skills will enable an applicant to perform well during an employment interview. An applicant who carefully listens to questions, provides brief but concise answers, and speaks clearly will make a positive impression on the interviewer. Proper body language, or nonverbal communication, such as maintaining eye contact and having a pleasant facial expression, also helps applicants interview effectively. Applicants with good communication skills usually are able to favorably explain their occupational, educational, and management skills to interviewers.

SOURCE: PD:028

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 645-648]. Tinley Park, IL: The Goodheart-Willcox Co.

98. C

Reinforce your qualifications and interest in the position. It is a courtesy to send follow-up letters to interviewers to thank them for their time. The applicant can use the letter to reinforce his/her qualifications and express his/her interest in the position. This letter may also help the interviewer remember the applicant. The follow-up letter should be brief—the detailed information should have been provided in the application and résumé and during the interview. If the first interview did not go well, interviewers do not usually ask applicants for a second interview. It would be inappropriate to request more information about the job's salary and benefits in a follow-up letter. This type of information is typically provided when the employer extends a job offer to the applicant.

SOURCE: PD:029

SOURCE: Means, T. (2019). *Business communication* (3rd ed.) [Lesson 15.4]. Boston, MA: Cengage Learning, Inc.

99. D

Work experience. Many young people have limited paid work experience, and many of these jobs may be in areas unrelated to their career goals. One way to obtain valuable work experience is to serve as a volunteer in a specific industry or for a business-related organization. Volunteer work refers to activities or tasks that a person performs without pay. Although responsibilities might be menial in nature, the experience provides the volunteer with insight as to how business operates and what is expected of employees. Volunteers usually do not receive monetary compensation, technical training, or guidance counseling.

SOURCE: PD:032

SOURCE: Doyle, A. (2019, July 08). *Volunteer to get valuable work experience*. Retrieved August 19, 2019, from <https://www.thebalancecareers.com/dream-job-timeline-2059455>

100. B

Protection from consequences. If you follow the rules laid out by your organization, you will meet expectations and be protected from consequences. Increased organizational communication is a benefit that organizations, rather than individuals, receive from following rules of conduct. Increased financial compensation is not necessarily related to following rules of conduct. Finally, rules of conduct provide more ethical guidance rather than less.

SOURCE: PD:251

SOURCE: LAP-PD-251—Know the Code (Following Rules of Conduct)