



SAMPLE EXAM

HOSPITALITY + TOURISM CAREER CLUSTER

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

HOSPITALITY AND TOURISM PROFESSIONAL SELLING **HTPS**

HOSPITALITY SERVICES TEAM DECISION MAKING **HTDM**

HOTEL AND LODGING MANAGEMENT SERIES **HLM**

QUICK SERVE RESTAURANT MANAGEMENT SERIES **QSRM**

RESTAURANT AND FOOD SERVICE MANAGEMENT SERIES **RFSM**

TRAVEL AND TOURISM TEAM DECISION MAKING **TTDM**

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. An "artificial being, invisible, intangible, and existing only in contemplation of the law" is the legal definition of a
 - A. corporation.
 - B. franchise.
 - C. partnership.
 - D. sole proprietorship.
2. BTA Enterprises used overly aggressive advertising tactics to discredit the MZT Company, its primary competitor. As a result, the MZT Company's sales and stock values have plummeted over the past few months. This situation is an example of
 - A. a criminal offense.
 - B. misappropriation.
 - C. an intentional tort.
 - D. negligence.
3. Which of the following is true regarding passenger rights in the air travel industry:
 - A. There is an international "Bill of Rights" to protect air travel consumers.
 - B. It is legal for an airline to overbook a flight.
 - C. Airlines must provide monetary compensation if a flight is delayed due to bad weather.
 - D. If baggage is lost, airlines pay a flat fee to reimburse the passenger.
4. Which of the following explains how listening differs from hearing:
 - A. Listening happens automatically.
 - B. Listening ensures comprehension.
 - C. Listening prevents distractions.
 - D. Listening is an active process.
5. Which of the following actions is important for a speaker to take when they make an oral business presentation to a large group:
 - A. Avoid eye contact with anyone in the audience
 - B. Relax the audience by swaying back and forth when speaking
 - C. Speak loudly enough for the audience to hear the message
 - D. Turn away from the audience when presenting visual aids
6. What should businesses include in a persuasive message?
 - A. Elaborate typeface
 - B. Graphic design
 - C. Logical evidence
 - D. Strong language
7. After a presentation about safety, robbery, and theft issues in the community's business district, Jeff asked the speaker, "Did you say that the crime rate in the area decreased by 10% or 15% last year?" What type of question did Jeff ask?
 - A. A relevant question to clarify information that the speaker had provided
 - B. A follow-up question that had little to do with the topic at hand
 - C. A reflective question that required the speaker to carefully word their response
 - D. An open-ended question to obtain the speaker's personal opinion about an issue

8. Samantha manages the marketing department for a large company and has just hired a new employee to run the company's cooperative advertising program. The most appropriate way for Samantha to advise staff members that a new employee will be joining their team is by
- A. making an announcement during the weekly departmental meeting.
 - B. sending a personalized text message to each employee in the department.
 - C. posting a short message on her personal weblog.
 - D. writing a news article for the company's semi-annual newsletter.
9. To handle customer inquiries about specific products in a large business, the sales staff should
- A. know why products are not carried by the business.
 - B. be able to solve customers' problems.
 - C. know the location of products within the business.
 - D. be informed about all products in stock.
10. Which of the following statements regarding customer experience management (CEM) and customer relationship management (CRM) is true:
- A. CRM is more customer-centric than CEM because it strives to create the best possible experience for customers.
 - B. One of the main goals of CRM is creating customer advocacy—word-of-mouth promotion and referrals to other potential customers.
 - C. CEM uses touchpoints to learn something valuable about the customer—something that the company can benefit from.
 - D. CEM tends to focus on customers' needs, whereas CRM tends to focus on the business's needs.
11. Which of the following is an example of using social media to enhance a customer's post-sale experience:
- A. Offering discounts for first-time customers
 - B. Obtaining new followers that could make a purchase
 - C. Responding to negative and positive online reviews
 - D. Posting about the release of a product line
12. The North Ridge Diner is always swamped during the weekends. What could the restaurant do to keep customers from becoming impatient while they wait?
- A. Alert guests that their tables are ready via text message.
 - B. Check reviews to see how customers feel about the wait time.
 - C. Determine which aspect of restaurant operations is slow.
 - D. Give a discount to guests who wait over 30 minutes.
13. Excellent customer service is crucial in the hospitality industry because the success of hospitality businesses often depends on the _____ of customers.
- A. goodwill
 - B. return
 - C. capital
 - D. records

14. Riley loves talking to people, so she always goes out of her way to ask customers for feedback and gets to know them personally. This is an example of how
- A. employees should try to keep their distance from customers.
 - B. an employee's personality impacts customer service practices.
 - C. extraverted people have a higher success rate in hospitality.
 - D. a company's culture affects its customer service.
15. Sage is a travel agent helping a couple book an international trip for their honeymoon. While arranging the couple's itinerary, Sage calls the airline and confirms that it will have two gluten-free meals available for her clients on the flight. What is the purpose of Sage's call?
- A. To check the airline's contact information
 - B. To make sure the aircraft is accessible
 - C. To accommodate the couple's special needs
 - D. To deliver consistent service for all clients
16. Which of the following is an example of a positive moment of truth in customer service:
- A. Showing concern for customers' lengthy wait
 - B. Following a script when talking to customers
 - C. Offering a customer-satisfaction survey
 - D. Aggressively upselling to customers
17. What is a characteristic that applies only to economic services?
- A. Useful
 - B. Physical
 - C. Scarce
 - D. Intangible
18. The best time for consumers to purchase is called a _____ market.
- A. seller's
 - B. buyer's
 - C. wholesale
 - D. seasonal
19. A business that purchases an extended warranty on a new fleet of automobiles is
- A. transferring risk.
 - B. elevating risk.
 - C. avoiding risk.
 - D. retaining risk.
20. A large trade deficit in a nation often leads to _____ opportunities.
- A. fewer job
 - B. more export
 - C. more trade
 - D. fewer import

21. What effect does the underground economy have on the gross domestic product (GDP)?
- A. It decreases the GDP.
 - B. It causes trade surpluses.
 - C. It inflates the GDP.
 - D. It causes economic declines.
22. Businesses operating in the global environment must be sensitive to different traditions, beliefs, and etiquette, which are _____ factors.
- A. cultural
 - B. economic
 - C. intellectual
 - D. political
23. What effect is a new resort on a remote tropical island likely to have on local shops?
- A. Fewer job openings
 - B. Decreased quantity of goods
 - C. Increased property taxes
 - D. Increased sales
24. A person who wants to lead change in the workplace must have the ability to
- A. perform all types of tasks.
 - B. make friends with managers.
 - C. ask a variety of questions.
 - D. guide or direct others.
25. Malcolm effectively recognizes and manages his emotions, as well as the emotions of the employees he manages. Malcolm is demonstrating the leadership quality of
- A. responsibility.
 - B. integrity.
 - C. emotional intelligence.
 - D. shared vision.
26. What is a characteristic of self-confident people?
- A. The ability to modify their beliefs and behaviors to make others happy
 - B. The willingness to step out of their comfort zones to take positive risks
 - C. The ability to tell as many people as possible about their accomplishments
 - D. The desire to cover up their mistakes before others find out about them
27. You are in a better position to control your own future if you _____ change.
- A. anticipate
 - B. agonize over
 - C. wait for
 - D. avoid

28. Your supervisor is upset about a current problem. After listening to them, you indicate that you understand how they feel. Your attitude is an example of
- A. assertiveness.
 - B. empathy.
 - C. submissiveness.
 - D. indifference.
29. During a staff meeting, Matthew says, "In closing, I want to congratulate Shelby, who has been instrumental in landing the Feldman account. This account has the potential to greatly impact our company's sales." Matthew is motivating an employee by
- A. providing her with a monetary reward.
 - B. giving her new job responsibilities.
 - C. supporting her ideas.
 - D. acknowledging her efforts.
30. One way that team leaders can show enthusiasm while enlisting others to work toward a shared vision is by
- A. sharing the vision with only certain team members.
 - B. recognizing and rewarding progress toward the vision.
 - C. applying for promotions within the organization.
 - D. avoiding contact with vendors and suppliers.
31. The attitudes of the managers and employees and the ways in which a company functions are factors that shape the company's
- A. organizational culture.
 - B. cognitive abilities.
 - C. business and tax structure.
 - D. natural resources.
32. Carter has been modeling ethical behavior, so he is surprised to learn that his employees do not understand that taking pens and notepads from the office is wrong. What could be a problem with Carter's approach to modeling ethical behavior?
- A. A lack of feedback
 - B. Too many rules
 - C. Unclear or inadequate communication
 - D. Inconsistency in ethical principles
33. Which of the following attitudes should an entrepreneur have about new technological developments:
- A. New technologies should be applied to all business practices.
 - B. The impact of new technologies should always be evaluated.
 - C. New technologies are overrated and should be avoided.
 - D. The benefits of new technologies do not outweigh their high cost.

34. A financial advisor who doesn't earn any commission, no matter how much money their clients may invest, is a _____ advisor.
- A. ethical
 - B. robo
 - C. fee-only
 - D. fee-based
35. Which of the following is a reason why accurate accounting is important to business:
- A. To maintain financial control
 - B. To obtain legal information
 - C. To monitor banking regulations
 - D. To organize governmental support
36. The footnotes section of the balance sheet may contain
- A. a list of assets.
 - B. photos of employees.
 - C. information about accounting policies.
 - D. a definition of liabilities.
37. What is the advantage of using a rolling or continuous budget?
- A. It requires managers to demonstrate the need for every expense at one time.
 - B. It encourages managers to assess activities and adjust figures more frequently.
 - C. It eliminates the need for the business to develop a master budget.
 - D. It provides managers with the ability to accurately forecast unexpected expenses.
38. The Apex Company is a large, growing company with finance, accounting, operations, and sales departments. The company needs additional outside funding to pay for new buildings and equipment. What business department is responsible for ensuring the monies are available when needed?
- A. Operations
 - B. Accounting
 - C. Finance
 - D. Sales
39. 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. Amortization
 - B. Profit
 - C. Free cash flow
 - D. Working capital
40. A business's sales may be strong, but that doesn't mean it's making as much money as it would like. In this situation, managers may analyze financial information to determine how to
- A. create a budget.
 - B. enter into contracts.
 - C. make purchases.
 - D. boost profitability.

41. A credit card company charges a business an interchange rate of 2% of each transaction amount, a merchant account provider fee of \$.05 per transaction, as well as a monthly fee of \$10. If that business had 40 transactions totaling \$100,000 last month, how much did that business pay in credit card processing fees for that time period?
- A. \$7,012
 - B. \$12.80
 - C. \$2,012
 - D. \$202
42. Insubordination, poor attitude, inappropriate language, and other unacceptable workplace behaviors are all reasons for _____ in the workplace.
- A. harassment
 - B. fairness
 - C. discrimination
 - D. conflict
43. Which of the following is an example of an organized labor-relations issue:
- A. Continuing education
 - B. Performance reviews
 - C. Employee training
 - D. Collective bargaining
44. An on-site accident seriously injures a construction worker. When contacted by the press, the company refuses to comment. What negative action is the company demonstrating?
- A. Responding inappropriately to crises
 - B. Using high-pressure sales techniques
 - C. Failing to provide what customers want
 - D. Not keeping promises
45. A luxury resort in the Grand Cayman Islands maintains a special section on its website for couples who are planning a destination wedding and/or honeymoon. This is an example of a hospitality business segmenting a market by
- A. age.
 - B. geographics.
 - C. behavior.
 - D. lifestyle.
46. In which of the following situations would a business use a spreadsheet software program to estimate the effect of change on its financial situation:
- A. Customers purchased more products.
 - B. Sales are expected to increase by 5%.
 - C. Mailing labels are needed for a catalog.
 - D. A salesperson kept all appointments.

47. A restaurant's owner notices that people in the community are starting to eat healthier food instead of the burgers and fries that the restaurant serves. So, the restaurant owner decides to start offering healthier menu options along with the old menu items. The restaurant owner is looking at _____ to find business opportunities.
- A. theories
 - B. trends
 - C. economic policies
 - D. regulations
48. Wireless, mobile, and Internet of Things (IoT) technology trends continue to grow and present hotels with many opportunities to offer automated services. Which of the following is a challenge that hotels often face when they offer automated services:
- A. Guests expect to pay much less for rooms offering automated services.
 - B. It's difficult to determine the right mix of digital and human interactions.
 - C. Room bookings decline because guests dislike automated services.
 - D. Hotels are able to be more efficient when providing services.
49. Which of the following is an example of how databases help improve customer satisfaction:
- A. Management can determine inventory remotely.
 - B. Restaurants receive customer feedback from social media.
 - C. Hotels can customize guest room preferences.
 - D. A variety of services can be integrated into one system.
50. Mr. Edwards saved some confidential customer information from his employer's computer network onto a flash drive so that he could work on a project from a different location. Without realizing it, Mr. Edwards dropped the flash drive in a parking lot on his way to a meeting. This situation is an example of a risk related to
- A. patent protection.
 - B. information security.
 - C. employee privacy.
 - D. data entry.
51. Isaiah is looking for information online about different credit card options. Which of the following indicates that a website is a quality source of information on the topic:
- A. The article is 15 years old.
 - B. The website has a .com URL.
 - C. The author of the site has reputable credentials.
 - D. The website contains advertisements for credit card companies.
52. The Links Golf Resort uses computer software that charges its guests' food, golf, retail, and other resort-related expenses to their accounts through their room key cards. The software increases the resort's efficiency because it is
- A. retractable.
 - B. independent.
 - C. remote.
 - D. automated.

53. A primary purpose of data mining is to
- A. develop services.
 - B. summarize ideas.
 - C. discover relationships.
 - D. stabilize sales.

54. Based on the information in the following database, which salesperson has the highest amount of sales:

Salesperson A, 125 orders, \$215 average invoice
Salesperson B, 129 orders, \$208 average invoice
Salesperson C, 121 orders, \$218 average invoice
Salesperson D, 127 orders, \$211 average invoice

- A. Salesperson B
 - B. Salesperson A
 - C. Salesperson D
 - D. Salesperson C
55. Roger is the marketing manager for a tour bus company in a national park. He recently looked through his company's customer database to determine the median customer age. Roger plans to use this information to better tailor the company's marketing efforts to its audience. Roger is using _____ to aid in decision-making.
- A. descriptive statistics
 - B. data coding
 - C. predictive statistics
 - D. customer feedback
56. Kylie, a manager at a hotel, is given the following data set representing the number of visits a group of customers makes to her hotel each year: 1, 2, 2, 3, 3, 3, 3, 4, 4, 5, 6, 6, 7. The mode of this data set is _____ per year.
- A. seven
 - B. three
 - C. one
 - D. four
57. Census data, psychographics, public opinion polls, and tourism forecasts are all examples of _____ sources for hospitality and tourism information.
- A. primary
 - B. original
 - C. secondary
 - D. seasonal
58. What type of chart would be best to illustrate room bookings for nine individual months?
- A. Scatter chart
 - B. Bar chart
 - C. Venn diagram
 - D. Pie chart

59. Tyrone is a finance manager at a hospitality management company. He is preparing a PowerPoint presentation for a meeting next week. Which of the following suggestions should he follow when designing his presentation:
- A. Use at least thirty words per slide
 - B. Keep the slides simple
 - C. Include as much information as possible
 - D. Use at least five visuals per slide
60. Which of the following is a step in the purchasing process:
- A. Identifying needs
 - B. Initiating promotion
 - C. Managing the sales force
 - D. Selecting subordinates
61. What do businesses need to provide employees in order to create a quality culture in the business?
- A. Competitive wages
 - B. Ongoing assessment
 - C. Adequate training
 - D. Fringe benefits
62. A cruise ship security specialist may advise a tourist who is going ashore at a port of call to
- A. limit shore tours to ones approved by the cruise line.
 - B. use any of the transportation services available.
 - C. wear valuable jewelry while on shore.
 - D. travel alone instead of in an organized group.
63. During a crisis situation, hotels and hospitality managers should prioritize
- A. the safety and security of hotel guests.
 - B. the protection of the hotel's top personnel.
 - C. the protection of valuable hotel art and décor.
 - D. the safety and security of hotel employees.
64. Which of the following is an example of intellectual property:
- A. A business owner buys new computers for the office.
 - B. An inventor obtains a patent for a new product.
 - C. A restaurant kitchen is stocked with food.
 - D. A manufacturing company hires a new human resources director.
65. Inventing and testing a brand-new type of water-filtration system is an example of a
- A. R&D project.
 - B. derivative project.
 - C. platform project.
 - D. breakthrough project.

66. Which of the following quality control methods is proactive:
- A. Creating a quality assurance checklist
 - B. Processing customer returns
 - C. Filling out a corrective action report
 - D. Inspecting finished products
67. The primary reason for a business to carefully track all of its vendors' invoices is to
- A. check for tax discrepancies.
 - B. evaluate the vendors' performance.
 - C. confirm the accounts receivable.
 - D. monitor and control expenses.
68. Quality of materials can often present an ethical conflict for employees working in
- A. inventory management.
 - B. shipping.
 - C. accounting.
 - D. purchasing.
69. Elaine, a buyer for a large retail chain, needs to order paper. She chooses Sheets Paper Company because Sheets has the best prices and can ship the order tomorrow. This is an example of a _____ order.
- A. standard
 - B. contract
 - C. blanket
 - D. planned
70. Steel, corn, and lumber are all examples of
- A. raw materials.
 - B. discretionary items.
 - C. work in process.
 - D. finished goods.
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. suspicious emails and attachments
 - C. General Data Protection Regulation (GDPR)
 - D. the organization's social media policies

73. Creative people usually prefer to work under _____ supervision.
- A. authoritative
 - B. direct
 - C. minimal
 - D. close
74. Chad is buying a new car. Although the first car is a great deal and a more practical choice, he just loves the look of the second car. As a result, he decides to purchase the second car. His decision is based on which of the following internal factors:
- A. Insight or intuition
 - B. Experience
 - C. Emotion
 - D. Framing
75. What should you do first when identifying which career or occupation may be right for you?
- A. Shadow a parent or family friend at work.
 - B. Research every career you are familiar with.
 - C. Assess your skills and interests.
 - D. Apply for an internship or apprenticeship.
76. Which of the following guidelines should be followed when writing any letter of application:
- A. Use humor to interest the reader in your qualifications.
 - B. Provide a brief explanation of your qualifications for a job.
 - C. Stress your educational achievements.
 - D. Submit a neatly typed photocopy to the employer.
77. When Carmen faces a challenge at work, she finds a way to turn it into an opportunity. Carmen has _____ skills.
- A. communication
 - B. time management
 - C. teamwork
 - D. problem-solving
78. Which of the following are services that the travel industry provides:
- A. Cruise ship, lodging, and car rental
 - B. Airline, cruise ship, and recreation
 - C. Train, car rental, and airline
 - D. Bus, lodging, and convention
79. Which of the following career categories is contained within the hospitality and tourism industry:
- A. Office management
 - B. Lodging
 - C. Supply chain management
 - D. Business analytics

80. A company is most likely to only promote a product on social media if the product has a
- A. high profit margin.
 - B. realistic price.
 - C. flexible price.
 - D. low profit margin.
81. Are all products test marketed?
- A. Yes, it gives an accurate picture of a product's performance.
 - B. No, it can delay entry into the full market.
 - C. Yes, it guarantees product success.
 - D. No, it is usually an unnecessary step in new-product development.
82. An electronics business decided to remove the X2L digital camera from its product mix because it was taking away sales from its FZG1 premier digital camera. This is an example of
- A. product cannibalization.
 - B. inventory substitution.
 - C. inventory shrinkage.
 - D. product alteration.
83. Which of the following is an advantage of family branding:
- A. Sellers need less shelf space.
 - B. Unrelated products are recognizable.
 - C. New products are easier to introduce.
 - D. New products are not tied to company image.
84. Hospitality and tourism businesses often benefit from introducing product extensions because they
- A. are cheaper and safer than introducing new products.
 - B. help manufacturing companies develop products faster.
 - C. allow businesses to compete in different product categories.
 - D. replace an unsuccessful product on the market.
85. What does a successful corporate brand communicate?
- A. Jargon
 - B. Motives
 - C. Procedures
 - D. Benefits
86. When evaluating a vendor's goods and services, companies should determine whether the vendor
- A. would be willing to cooperate in unethical business practices.
 - B. agrees with the company's stance on specific political issues.
 - C. can participate in the company's annual volunteer event.
 - D. will be able to fulfill the company's needs in a timely manner.

87. A company runs an anti-drug announcement on a local TV station as a way of showing that it cares about the community. Which type of institutional promotion is this company using?
- A. Accidental
 - B. Individual
 - C. Patronage
 - D. Public service
88. When customers buy menu items at McDonalds' Restaurants, they are given Monopoly pieces for the chance to win prizes. What type of promotional technique is that?
- A. Transit advertising
 - B. Sales promotion
 - C. Personal selling
 - D. Publicity
89. When a customer considers a product to be worth the money they spent on it, the product demonstrates which of the following components of quality:
- A. Value
 - B. Conformance to specifications
 - C. Customer satisfaction
 - D. Excellence
90. Which of the following is a valid reason for performing an internal audit:
- A. To demonstrate the effectiveness of risk management
 - B. To standardize the risk reporting process
 - C. To provide the framework for risk management
 - D. To implement risk responses
91. Brandon is a new salesperson at a local car dealership. To be most successful at his job, what should Brandon do before attempting to make any sales?
- A. Establish relationships with his fellow salespeople
 - B. Spend a day shadowing a more experienced salesperson
 - C. Prospect and qualify leads for potential customers
 - D. Become an expert on the cars he will be selling
92. A salesperson for a company that advertised "no finance charges for six months" could use this information
- A. to reduce prices.
 - B. for personal gain.
 - C. to pressure customers.
 - D. as a selling point.
93. Over time, product price and quality can be easily matched by competitors. The real competition among businesses begins with
- A. product longevity.
 - B. promotions.
 - C. customer service.
 - D. online reviews.

94. A hotel restaurant is offering lobster dinners for a special price of \$22.99 for one week only. If a table of four orders the dinners and two customers have coupons for a 15% discount on their dinners, calculate the total cost for the table.
- A. \$87.26
 - B. \$78.16
 - C. \$91.96
 - D. \$85.06
95. Mr. and Mrs. Johnson traveled to New York City, spent the night at the Ritz Carlton, and ate dinner at Tavern on the Green. Their choices were motivated by the internal psychological factor of
- A. self-actualization.
 - B. safety.
 - C. esteem.
 - D. belonging.
96. Hotels benefit from selling gift certificates to guests because these gift certificates
- A. provide an experience, not just a product.
 - B. are redeemable at any time by the recipient.
 - C. are a small production investment for the hotel.
 - D. can extend the customer base of the hotel.
97. A company requires its salespeople to use a sales presentation sheet when selling. This is an example of a _____ policy.
- A. terms-of-sale
 - B. delivery
 - C. selling-activity
 - D. service
98. Which business activity is responsible for most of the decision-making that takes place within the business?
- A. Physical distribution
 - B. Collective bargaining
 - C. Management
 - D. Marketing
99. Marla and her fellow managers at the Frisco Corporation have determined that rearranging their human resources could increase the company's efficiency. This human resources change is most likely the result of
- A. a need for process improvement.
 - B. competitive pressures.
 - C. a need for new types of skills and experience.
 - D. a change in government regulations.
100. Which of the following statements about directing is true:
- A. Staffing is more important than directing.
 - B. Only top-level managers participate in directing.
 - C. Directing is considered the "heart" of management.
 - D. Some employees do not need direction.



KEY

Test Number 1265

Hospitality and Tourism Cluster Exam

HLM – Hotel and Lodging Management Series Event

HTDM – Hospitality Services Team Decision Making Event

HTPS – Hospitality and Tourism Professional Selling Event

QSRM – Quick Serve Restaurant Management Series Event

RFSM – Restaurant and Food Service Management Series Event

TTDM – Travel and Tourism Team Decision Making Event

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1. A

Corporation. Forming a corporation is like creating an independent entity that will be treated as a person with legal rights, duties, and powers. It can borrow or loan money, buy and sell goods, make contracts, sue or be sued, and perform other business activities. A franchise is a contractual agreement between a parent company and a franchisee to distribute goods and services. A sole proprietorship is a business owned by one person. A partnership is a business owned by two or more people.

SOURCE: BL:003 Explain types of business ownership

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

2. C

An intentional tort. A tort is a private wrongdoing against a person or business. When a tort is intentional, one party plans to carry out an activity against another party. Because advertising is a planned promotional activity, the use of overly aggressively advertising tactics is an intentional action. BTA used advertising to discredit MZT, which hurt MZT's sales. In response, MZT may file a lawsuit against BTA on the grounds of defamation, if the advertising contained false statements. Negligence involves unintentional or accidental wrongdoings such as a distracted driver causing a minor car accident. Misappropriation or embezzlement is the theft of valuables that have been entrusted to someone's care. In business, this usually involves money. Criminal law addresses issues that involve wrongdoing against society, such as robbery and murder.

SOURCE: BL:069 Identify the basic torts relating to business enterprises

SOURCE: Lumen - Work within the law. (2022). *Examples of intentional torts in business*. Retrieved August 15, 2022, from <https://www.coursehero.com/study-guides/workwithinthelaw/intentional-torts>

3. B

It is legal for an airline to overbook a flight. Since there are no laws preventing airlines from overbooking flights, bumping passengers from flights is common when traveling by air. Several transportation agencies, including the U.S. Department of Transportation and the Canadian Transportation Agency, among others, require that airlines first ask for volunteers to give up their seats in exchange for compensation. This may be in the form of cash or a voucher. The amount a passenger is compensated for lost luggage is subject to negotiation. Most airlines have a ceiling on the amount paid. Currently, there is no international "Bill of Rights." However, in 2011 the U.S. Department of Transportation expanded its airline passenger protections to better safeguard passengers from lost baggage fees, overbooked flights, and hidden airline fees. Airlines are not required to pay any compensation for flight delays due to bad weather.

SOURCE: BL:135 Describe the rights of customers in the hospitality and tourism industry

SOURCE: Keyes, S. (2022, July 23). *What is an overbooked flight?* Retrieved August 15, 2022, from <https://scottscheapflights.com/glossary/overbooking>

4. D

Listening is an active process. Listening is a mental activity that requires effort and is something you actively do. Listening does not happen automatically, because you have to concentrate to understand the meaning of the sounds and words you hear. Listening does not prevent distractions, but the listener can help deal with them by focusing on the speaker. Listening does not automatically ensure comprehension, because sometimes a speaker's message is not clear and a listener must ask questions to clarify the message.

SOURCE: CO:017 Demonstrate active listening skills

SOURCE: LAP-CO-017—Listen Up! (Demonstrating Active Listening Skills)

5. C

Speak loudly enough for the audience to hear the message. When making an oral presentation to a group, the speaker should speak loudly enough for everyone in the audience to hear what they are saying. If audience members cannot hear what the speaker is saying, they might misunderstand or misinterpret the message. A speaker should try not to turn away from the audience when presenting visual aids and should maintain eye contact with the audience. Because swaying back and forth can distract the audience, the speaker should avoid this type of movement.

SOURCE: CO:025 Make oral presentations

SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

6. C

Logical evidence. Messages usually are more persuasive if they are supported by logical evidence. Logical evidence is based on fact rather than on opinion. If businesses are writing persuasive messages to encourage customers to do something, such as buy a product, they should include logical evidence to make the message more convincing. Businesses should avoid using strong language because it may offend readers. Typeface and graphic design are visual elements of the message rather than part of the content.

SOURCE: CO:031 Write persuasive messages

SOURCE: Washington State University. (n.d.). *Module 6: Persuasion*. Retrieved August 15, 2022, from <https://opentext.wsu.edu/social-psychology/chapter/module-6-persuasion>

7. A

A relevant question to clarify information that the speaker had provided. Jeff asked the speaker to clarify a fact that was stated during the presentation. The question was about the area's crime rate, which was relevant to the topic at hand. Jeff's question was a close-ended inquiry because it required the message recipient to provide a response in one of two ways—10% or 15%. The question was not reflective in nature, so the message recipient did not need to put a lot of thought into or carefully word their response. A follow-up question is a question asked to clarify a previous question. There is not enough information provided to determine if Jeff previously asked a question.

SOURCE: CO:058 Ask relevant questions

SOURCE: Indeed. (2022, July 7). *Probing questions: Definition, comparisons and examples*. Retrieved August 15, 2022, from <https://www.indeed.com/career-advice/career-development/probing-questions>

8. A

Making an announcement during the weekly departmental meeting. Samantha should tell her staff about the new employee at the next staff meeting. It is an efficient way to communicate because Samantha can tell all of the staff members in her department about their new colleague at one time. Text messages, personal weblogs, and a semi-annual newsletter are not appropriate ways to communicate this type of workplace news.

SOURCE: CO:092 Choose and use appropriate channel for workplace communication

SOURCE: Martins, J. (2022, June 8). *12 tips for effective communication in the workplace*. Retrieved August 15, 2022, from <https://asana.com/resources/effective-communication-workplace>

9. C

Know the location of products within the business. Knowledge of where products are kept in a business helps employees provide efficient service to customers who are looking for specific items. Employees can locate products for customers or direct customers to the right location. In a large business, the sales staff cannot be informed about all products that are in stock. It is also unlikely that the sales staff will know why the business does not carry certain products since that is a purchasing decision. Sales personnel should be helpful, but they are not always able to solve customers' problems.

SOURCE: CR:006 Respond to customer inquiries

SOURCE: Love, S. (2022, March 18). *How to respond to tricky customer questions*. Retrieved August 15, 2022, from <https://www.thryv.com/blog/respond-to-tricky-customer-questions>

10. D

CEM tends to focus on customers' needs, whereas CRM tends to focus on the business's needs. Customer experience management includes the strategies, processes, and policies a business uses to meet or exceed customer expectations and to provide customers with outstanding experiences at every touchpoint. Another main goal of CEM is creating customer advocacy—word-of-mouth promotion and referrals to other potential customers. CRM, on the other hand, is defined as the strategies, processes, technology, and people a business uses to build, maintain, and maximize the long-term value of customer relationships. CRM is more business-centric than CEM, and uses touchpoints to learn something valuable about the customer that the company can benefit from.

SOURCE: CR:016 Discuss the nature of customer relationship management

SOURCE: LAP-CR-016—Know When To Hold 'Em (Nature of Customer Relationship Management)

11. C

Responding to negative and positive online reviews. Online reviews of products on social media can have a huge impact. A business can increase customer satisfaction post-sale by responding to online reviews. This shows that the business cares about its customers and can lead to repeat business. Posting about the release of a product line, obtaining new followers that could make a purchase, and offering discounts for first-time customers are not related to customers' post-sale experiences.

SOURCE: CR:028 Use digital media to enhance customer post-sales experience

SOURCE: Wilson, C. (2018, February 26). *8 ways to improve your post-purchase customer experience*. Retrieved August 15, 2022, from <https://www.brandwatch.com/blog/ways-to-improve-post-purchase-customer-experience>

12. A

Alert guests that their tables are ready via text message. When restaurants are busy, it is important to keep customers entertained to improve their experience. One way to do so is to alert them via text message that their table is ready. That way, customers do not have to sit and wait—they can explore the surrounding area, run errands, etc. Providing discounts to guests who wait over 30 minutes is a good customer service policy, but it will not necessarily help keep customers from becoming impatient while they wait, because they will not receive the discount until they have already eaten. Determining which aspect of the restaurant's operations is slow can help improve wait times in the long run, but it will not keep customers from becoming impatient while they wait. Finally, checking reviews to see how customers feel about the wait time is a good way to improve customer service, but it will not help keep customers from becoming impatient while they wait.

SOURCE: CR:038 Identify strategies to manage customer experience during peaks in demand

SOURCE: Decker, F. (2016, August 3). *Managing restaurant wait times: How to keep your customers happy*. Retrieved August 15, 2022, from https://www.vitamix.com/us/en_us/articles/managing-restaurant-wait-times-how-to-keep-your-customers-happy

13. B

Return. Most businesses in the hospitality industry rely on repeat customers to be profitable. Poor customer service is the primary reason that customers do not return to a business, so it is important that every customer receive good service every time. Goodwill is either the kindness of customers—something a business cannot rely on to be profitable—or an intangible asset related to a company purchase. Capital is wealth and is not directly related to customer service. While some customers might review businesses in the hospitality industry, their personal records will not determine the success of a business.

SOURCE: CR:049 Explain the nature of customer service in the hospitality and tourism industry

SOURCE: Mirani, S. (2021, June 3). *10 ways to win more repeat customers at hotels*. Retrieved August 15, 2022, from <https://www.hotelogix.com/blog/2021/06/03/ways-win-more-repeat-customers-hotels>

14. B

An employee's personality impacts customer service practices. Riley has an outgoing, extraverted personality. This makes her more willing to engage customers. Therefore, her personality affects her customer service practices. This is not an example of how a company's culture affects its customer service. Extraverted people do not necessarily have a higher success rate in hospitality; many jobs in the field are well-suited for introverts. It is not true that employees should try to keep their distance from customers.

SOURCE: CR:051 Identify factors affecting customer-service practices in hospitality and tourism

SOURCE: van Vulpen, E. (2020). *How 11 factors influence customer service performance*. Retrieved August 15, 2022, from <https://www.aihr.com/blog/factors-influencing-customer-service-performance>

15. C

To accommodate the couple's special needs. Many people have dietary restrictions, so making sure that the airline could provide gluten-free meals is a way to accommodate the special needs of the couple. Not all clients will require calls to the airline about in-flight meals. Asking about in-flight meals is not related to the airline's contact information. Accessibility usually relates to physical disabilities and not meal restrictions.

SOURCE: CR:054 Accommodate special needs/specific requests of customers

SOURCE: Vora, S. (2018, August 14). *Flying with dietary restrictions? Increasingly, that's not a problem*. Retrieved August 15, 2022, from <https://www.nytimes.com/2018/08/14/travel/airlines-special-dietary-meals.html>

16. A

Showing concern for customers' lengthy wait. A moment of truth in customer service is an interaction during which a customer can form a lasting impression of your company. One way that employees can create positive moments of truth is to demonstrate empathy and concern when customers are experiencing frustration. Customers who feel that the company cares about them will be more likely to form a positive impression. A customer-satisfaction survey will not necessarily create a positive moment of truth. Following a script when talking to customers can make the customer feel unimportant and unheard. Finally, aggressively upselling to customers does not necessarily create a positive moment of truth; rather, pushing costlier sales can create a negative impression.

SOURCE: CR:055 Deliver positive moments of truth

SOURCE: Change Factory. (2014). *Moments of truth in hospitality*. Retrieved August 15, 2022, from <https://www.changefactory.com.au/industry/hospitality/moments-truth>

17. D

Intangible. The major characteristics of economic services are very similar to those of economic goods. They must be useful, scarce, and transferable. However, services are not physical objects. They are intangible activities performed by other people for a certain amount of money. Intangible means not capable of being detected through the senses. Useful and scarce are characteristics of both economic goods and services. Physical is a characteristic of economic goods.

SOURCE: EC:002 Distinguish between economic goods and services

SOURCE: LAP-EC-902—Get the Goods on Goods and Services (Economic Goods and Services)

18. B

Buyer's. This situation is brought about by a large supply and a relatively small demand which results in lower prices. A seller's market exists when the quantity demanded is much greater than the quantity supplied, resulting in higher prices. The remaining alternatives are not economic market descriptors.

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

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

19. A

Transferring risk. Transferring risk occurs when the risk is shifted to another party. Purchasing an extended warranty transfers the risk of repairing defective automobiles from the buyer to the seller. A business retains risk when it decides to keep the risk. A business avoids risk when it recognizes risk and completely avoids it. Elevating risk refers to increasing risk.

SOURCE: EC:011 Determine factors affecting business risk

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

20. A

Fewer job. A trade deficit decreases the gross domestic product, which reflects the health of a nation's economy. A large trade deficit often leads to a lower standard of living and fewer job opportunities because the nation is importing more than it exports. A large trade deficit indicates a significant decrease in exports, an increase in imports, and less trade in general.

SOURCE: EC:016 Explain the nature of global trade

SOURCE: LAP-EC-004—Beyond US (Global Trade)

21. A

It decreases the GDP. The underground economy consists of cash or barter transactions for which no receipts are kept. Since these amounts are not added to the gross domestic product (GDP), GDP is reduced. The underground economy does not cause economic declines, which occur when the GDP is not growing, or trade surpluses, which exist when a country exports more goods than it imports.

SOURCE: EC:017 Explain the concept of Gross Domestic Product (GDP)

SOURCE: LAP-EC-917—Measure Up? (Gross Domestic Product)

22. A

Cultural. Culture refers to the customs, habits, and traditions of a particular group of people. If businesses want to develop favorable relationships with foreign businesses, they need to recognize, understand, and respect other cultures. A business that does not learn about the cultural differences may do or say something to offend a foreign customer or potential customer. Political factors relate to government issues. Economic factors are ways that a nation meets consumers' competing wants with limited resources. Intellect is a person's cognitive ability.

SOURCE: EC:104 Discuss the global environment in which businesses operate

SOURCE: LAP-EC-104—Stretch Your Boundaries (The Global Business Environment)

23. D

Increased sales. When tourism enters a new area, local businesses usually benefit from increased economic activity. Tourists who stay at a resort are likely to spend money elsewhere, and newly employed resort workers might also be encouraged to spend more at local shops. Property taxes would not necessarily increase because the taxes collected from the tourists themselves could lead to reduced local taxes. The quantity of goods is more likely to increase than decrease because the increased customers will lead to more demand for products. Finally, a new resort would not decrease the number of job openings in local shops. The increased economic activity would be more likely to add more jobs.

SOURCE: EC:136 Explain the relationship between the economy and hospitality and tourism

SOURCE: Stainton, H. (2022, May 28). *Economic impacts of tourism*. Retrieved August 15, 2022, from <https://tourismteacher.com/economic-impacts-of-tourism>

24. D

Guide or direct others. A person who wants to lead change in the workplace must have the ability to guide or direct others with the intention to transform or alter something. Getting people to change involves guiding or directing them to do something in a different way. People usually will not follow the lead of another person if that person cannot provide guidance or direction. A person who wants to lead change often needs to answer a variety of questions to explain the need for change. A person who wants to lead change does not need to make friends with managers or perform all types of tasks.

SOURCE: EI:005 Lead change

SOURCE: LAP-EI-005—Start the Revolution (Leading Change)

25. C

Emotional intelligence. A leader is an individual with the ability to guide or direct others in a desired manner to achieve goals. Although leadership styles vary, effective leaders tend to exhibit several common characteristics, one of which is a high level of emotional intelligence. Emotional intelligence is the ability to recognize and manage your own emotions as well as those of others. This means that you are aware of your emotions, respond to them appropriately, and then do the same with the emotions of others. Shared vision is the ability to share a vision (e.g., better way of doing things) and use it to inspire others. Responsibility involves taking ownership of a problem, making sure it is fixed, and taking steps to prevent it from happening again. When a leader exhibits integrity, they adhere to an established set of personal ethics and sound moral principles in all situations.

SOURCE: EI:009 Explain the concept of leadership

SOURCE: LAP-EI-909—Lead the Way (Concept of Leadership)

26. B

The willingness to step out of their comfort zones to take positive risks. Self-confidence is a positive belief in your own talents, skills, and objectives. Self-confident people are willing to take positive risks, which involve stepping out of their comfort zones. Self-confident people understand that mistakes are a part of life and do not let the risk of failure keep them from taking action. Self-confident people are willing to admit their mistakes, accept compliments while remaining humble, and maintain their beliefs and behaviors even when others are critical of those beliefs and behaviors.

SOURCE: EI:023 Exhibit self-confidence

SOURCE: Mind Tools. (2022). *How to build self-confidence*. Retrieved August 15, 2022, from <https://www.mindtools.com/selfconf.html>

27. A

Anticipate. You must be able to anticipate and plan for changes that are likely to occur if you want some control over your future. Avoiding change is not possible. Agonizing over change or waiting for change to occur would not help you to control your future.

SOURCE: EI:026 Adjust to change

SOURCE: Stobierski, T. (2020, January 23). *5 tips for managing change in the workplace*. Retrieved August 15, 2022, from <https://online.hbs.edu/blog/post/managing-change-in-the-workplace>

28. B

Empathy. Empathy is the ability to put yourself in another person's place. In this situation, the employee has indicated to the supervisor that they understand the supervisor's feelings. Indifference is a total lack of concern. Assertiveness is the ability to stand up for your own rights without trampling on the rights of others. Submissiveness is the willingness to step aside for others and let their wishes take precedence over yours.

SOURCE: EI:030 Show empathy for others

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

29. D

Acknowledging her efforts. One way to motivate team members is to acknowledge their work accomplishments either individually or in a group setting (e.g., meeting). When employees feel that management appreciates their contributions to the company, they are often motivated to keep up the good work. In this situation, Matthew is not providing Shelby with a monetary reward, giving Shelby new job responsibilities, or supporting Shelby's ideas.

SOURCE: EI:059 Motivate team members

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

30. B

Recognizing and rewarding progress toward the vision. One way that team leaders can show enthusiasm while enlisting others to work toward a shared vision is by recognizing and rewarding progress toward the vision. This will pass the enthusiasm on to other team members. Applying for promotions within the organization does not show enthusiasm toward the team vision. Team leaders should share the vision with *all* team members and make an effort to get to know suppliers and vendors as well.

SOURCE: EI:060 Enlist others in working toward a shared vision

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

31. A

Organizational culture. Organizational culture is the standards, rituals, attitudes, and belief systems that create the workplace environment and influence the interactions within it. Organizational culture is the “tone” of the work environment. Because each business functions differently, each business has a unique culture. For example, one business environment might have a rigid chain of command, a strict dress code, an inflexible work schedule, and provide minimal information to employees. In such an environment, employees may feel creatively suppressed and suspicious of management, which often negatively affects employees' attitudes and productivity levels. On the other hand, a business that communicates well with employees, has flexible work schedules, and encourages suggestions and creativity tends to foster trust, which creates a positive work environment. The company's legal business structure (e.g., partnership, corporation) affects the company's tax obligation. Natural resources are items found in nature that the business uses to produce goods and services. Cognitive ability is the ability to learn and understand. Individuals, rather than companies, have various cognitive abilities.

SOURCE: EI:064 Explain the nature of organizational culture

SOURCE: LAP-EI-064—Culture Club (The Nature of Organizational Culture)

32. C

Unclear or inadequate communication. One of the most important ways to model ethical behavior is to have clear, open discussions. Ethics aren't always black and white, and sometimes it can be challenging to know what to do or what is expected. Carter may have tried to model ethical behavior in regard to use of company supplies, but his employees were unaware of his expectations and did not know that their actions were unethical. This is likely due to unclear/inadequate communication. Carter did provide feedback to his employees. There is no indication that there were too many rules or that there was inconsistency in ethical principles.

SOURCE: EI:132 Model ethical behavior

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

33. B

The impact of new technologies should always be evaluated. An entrepreneur should always evaluate the potential impact that new technologies could have on business opportunities and competition. While the application of technology to business practices often has huge benefits, it is not always feasible or wise to apply them to every business practice. While the benefits of new technologies may be expensive or overrated sometimes, their impact and business potential should always be evaluated.

SOURCE: EN:040 Explain the role requirements of entrepreneurs and owners

SOURCE: Kokemuller, N. (2019, July 29). *Why is technology important in business?* Retrieved August 15, 2022, from <https://bizfluent.com/about-6320228-technology-important-business-.html>

34. C

Fee-only. A fee-only financial advisor cannot earn commission, only making money from fees that they charge clients. Fee-based advisors can make money from fees they charge clients, but also from outside funds or commissions. Advisors of any type should be ethical. A robo advisor isn't a person; instead, it is a digital platform that uses algorithms to provide investment advice and management services to clients.

SOURCE: FI:076 Discuss considerations in selecting a financial-services provider

SOURCE: O'Shea, A., & Coombes, A. (2022, August 4). *How much does a financial advisor cost?* Retrieved August 15, 2022, from <https://www.nerdwallet.com/article/investing/how-much-does-a-financial-advisor-cost>

35. A

To maintain financial control. Financial control of a business is the overall purpose of accounting. Accurate accounting information helps a business maintain financial control by showing how the business is doing in terms of earning a profit and paying expenses. Businesses use accounting information to make any necessary changes to keep the business in good financial condition. The accounting function does not help businesses monitor banking regulations, organize governmental support, or obtain legal information.

SOURCE: FI:085 Explain the concept of accounting

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

36. C

Information about accounting policies. The footnotes section of the balance sheet contains additional, relevant information, such as information about the accounting policies used in creating the financial statement. Assets should be listed in the "assets" section of the balance sheet. Balance-sheet users should be aware of what liabilities are. Photos of employees are not likely to be relevant to the balance sheet.

SOURCE: FI:093 Explain the nature of balance sheets

SOURCE: LAP-FI-093—The Right Balance (The Nature of Balance Sheets)

37. B

It encourages managers to assess activities and adjust figures more frequently. A rolling (continuous) budget replaces each passing month with a new month added to the end of the budget, so there is always a year-long budget in place. Because a new month is added to the budget on a regular basis, managers need to assess and adjust figures on a monthly basis to reflect the various factors that influence business activities. By being able to change and adapt, the rolling budget provides the business with flexibility. The zero-based budgeting method requires managers to demonstrate the need for every expense. Although unexpected expenses do come up and should be a consideration when establishing any type of budget, a rolling budget does not provide managers with an advantage over other budgeting methods in terms of forecasting unexpected expenses. A rolling budget does not eliminate the need for a master budget. A master budget can be developed using the rolling budget methodology.

SOURCE: FI:106 Describe the nature of budgets

SOURCE: LAP-FI-106—Money Tracks (Nature of Budgets)

38. C

Finance. When a business needs outside funding, it typically relies on its finance department to obtain the monies. A company's finance department is responsible for money management decisions, including obtaining the financing and capital needed to run a business. Accounting ensures that a company has accurate information about its current financial situation. A sales department is responsible for meeting company sales' goals. Operations is responsible for the effective use of a company's available resources to conduct business activities.

SOURCE: FI:354 Explain the role of finance in business

SOURCE: LAP-FI-354—Money Matters (Role of Finance)

39. C

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 Interpret cash-flow statements

SOURCE: Murphy, C. (2022, May 18). *What is the formula for calculating free cash flow?* Retrieved August 15, 2022 from <https://www.investopedia.com/ask/answers/033015/what-formula-calculating-free-cash-flow.asp>

40. D

Boost profitability. When a business is not making as much money as it would like to, its managers look for ways to boost profitability. They do so by analyzing financial information. In this situation, managers would not be creating a budget, entering into a contract, or making purchases.

SOURCE: FI:579 Describe the need for financial information

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

41. C

\$2,012. To calculate how much the business paid in credit card processing fees, first determine the total transaction interchange fees by multiplying the interchange rate by the total transaction amount ($2\% \times \$100,000 = \$2,000$). Then, calculate the total merchant account provider fees by multiplying the fee per transaction by the number of transactions for the month ($\$.05 \times 40 = \2). Finally, add together the total transaction interchange fees, total merchant account provider fees, and monthly fee to determine the total credit card processing fees that the business paid last month ($\$2,000 + \$2 + \$10 = \$2,012$).

SOURCE: FI:790 Calculate credit-card processing costs

SOURCE: Brophy, M., & Dizon, A. L. (2022, June 9). *Credit card processing fees explained (+ rate calculator)*. Retrieved August 15, 2022, from <https://fitsmallbusiness.com/credit-card-processing-fees-2>

42. D

Conflict. Conflicts and disputes in the workplace can arise for a variety of reasons, including insubordination, poor attitude, inappropriate language, or other unacceptable workplace behaviors. These behaviors are not necessarily reasons for harassment or discrimination in the workplace, and they certainly would not contribute to fairness in the workplace.

SOURCE: HR:411 Explain the role of ethics in human resources management

SOURCE: LAP-HR-411—Moral Mediators (Ethics in Human Resources Management)

43. D

Collective bargaining. Collective bargaining, which is the negotiation of wages and other conditions of employment by a union or other organized body of employees, is an example of an organized labor-relations issue. Employee training, continuing education, and performance reviews are also important workplace activities, but they are not necessarily organized labor-relations issues.

SOURCE: HR:452 Explain labor-relations issues

SOURCE: AFL-CIO. (2022). *Collective bargaining*. Retrieved August 15, 2022, from <https://aflcio.org/what-unions-do/empower-workers/collective-bargaining>

44. A

Responding inappropriately to crises. By ignoring the problem and refusing to comment, the construction company is responding inappropriately to the crisis. It should face the situation head-on, take responsibility, and promise to investigate and fix the situation to ensure it won't happen again. This example does not illustrate using high-pressure sales techniques, failing to provide what customers want, or not keeping promises.

SOURCE: MK:019 Demonstrate connections between company actions and results (e.g., influencing consumer buying behavior, gaining market share, etc.)

SOURCE: LAP-MK-019—Just Do It...Right (Company Actions and Results)

45. C

Behavior. When segmenting by behavior, marketers consider factors such as the market's product knowledge, purchasing habits, and responses to products. Occasion segmentation classifies buying behavior by important events such as birthdays, holidays, and weddings. Geographics involves segmenting a market by location. Psychographic segmentation is the division of a market on the basis of consumers' lifestyles and personalities. Demographic segmentation considers factors such as income, education, age, and gender.

SOURCE: MP:035 Identify ways to segment hospitality and tourism markets

SOURCE: Tarver, E. (2022, July 25). *Market segmentation*. Retrieved August 15, 2022, from <https://www.investopedia.com/terms/m/marketsegmentation.asp>

46. B

Sales are expected to increase by 5%. Spreadsheet software programs allow businesses to use a computer to perform accounting and other financial calculations. An advantage of using a spreadsheet program is that a business can make various assumptions about sales and find out quickly what effect they will have on its financial situation. For example, a business could change the level of sales by different percentages, such as 5% or 10%, to find out the effect that would have on net income. The spreadsheet program automatically does the calculations. Although keeping appointments might lead to sales, a salesperson would likely not use a spreadsheet program to track appointments. Mailing labels are generated with database programs. Database programs are also used to track customers' purchases.

SOURCE: NF:010 Demonstrate basic spreadsheet applications

SOURCE: Rosenberg, E. (2022, March 19). *The importance of Excel in business*. Retrieved August 15, 2022, from <https://www.investopedia.com/articles/personal-finance/032415/importance-excel-business.asp>

47. B

Trends. A trend is the general direction in which people or events are moving. It's important for businesses to keep an eye on trends because trends can help businesses find opportunities. The restaurant owner notices that customers are eating healthier food, so they are able to take advantage of that opportunity by offering healthier menu items. This is not an example of a regulation, economic policy, or theory helping the restaurant owner find a business opportunity.

SOURCE: NF:013 Describe current business trends

SOURCE: Chron. (2021, May 25). *Definition of business trends*. Retrieved August 15, 2022, from <https://smallbusiness.chron.com/definition-business-trends-3399.html>

48. B

It's difficult to determine the right mix of digital and human interactions. While many guests enjoy the privacy that digital interactions provide, others may desire a human and personal experience. These differences in guests' preferences make it very difficult for hotels to determine which type of service guests actually prefer in any given situation. Increased efficiency resulting from automated services is a benefit, not a challenge. Guests' attitudes toward automated services are usually favorable and are not a motivating factor in their hotel choice or how much they are willing to spend on a room.

SOURCE: NF:048 Describe current issues and trends in the hospitality and tourism industry

SOURCE: Bilgihan, A., & Nejad, M. (2015, October 19). *Innovation in hospitality and tourism industries*. Retrieved August 15, 2022 from <https://www.emerald.com/insight/content/doi/10.1108/JHTT-08-2015-0033/full/html>

49. C

Hotels can customize guest room preferences. A customer database allows hotels to gather guest information and preferences so they can personalize the guests' experiences. For example, if a customer purchases several soft drinks from room service, the hotel can store that information in a database and then prepare the room by stocking the mini fridge with the same soft drink upon the customer's return. While restaurants can use social media to receive feedback, they are not necessarily using a database to improve customer satisfaction when they do so. A variety of services can be integrated into one system, but this does not necessarily depend on a database; rather, it is due to hotel and restaurant management system software. Finally, while technology such as washable chips allows management to determine inventory remotely, this is also not an example of how databases help improve customer satisfaction.

SOURCE: NF:060 Explain ways that technology impacts the hospitality and tourism industry

SOURCE: Barawid, N. (2022, May 4). *6 technology trends redefining the hospitality industry*. Retrieved August 15, 2022, from <https://www.entrepreneur.com/article/423654>

50. B

Information security. Businesses often maintain personal information about their customers, such as credit card numbers, bank account numbers, and account passwords. Businesses must take reasonable care to protect and secure their customers' personal information to reduce the risk of fraudulent behavior, such as computer hacking and identity theft. Businesses should develop policies about removing digital information from their facilities. A patent provides legal protection to the owners of inventions. The customers' privacy, rather than employees' privacy, has been compromised in the presented situation. There is no indication that data entry problems exist with the information provided.

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

SOURCE: Wright, G. (2022). *Information security (infosec)*. Retrieved August 15, 2022, from <https://www.techtarget.com/searchsecurity/definition/information-security-infosec>

51. C

The author of the site has reputable credentials. One way to know that a website is a good source of quality information is to look at the author's credentials. An author who has written about or studied the subject is an indicator that the website is reliable. Isaiah could use this site to find out reputable information about credit card options. An article that is 15 years old is likely too old to be reliable. A website with advertisements for credit card companies might be biased because it is being sponsored by the products it is supposedly reviewing. A .com URL is not necessarily an indicator of a quality website.

SOURCE: NF:079 Evaluate quality and source of information

SOURCE: Goodwill Community Foundation, Inc. (2022). *How to judge online information*. Retrieved August 15, 2022, from <https://edu.gcfglobal.org/en/searchbetter/judging-online-information/1>

52. D

Automated. Room key cards are similar to credit cards. When the guest swipes their room key card at the point of sale (e.g., hotel restaurant), the computer chip that is embedded in the room key card transmits transaction data to the hotel's computer system, which adds the expense to the guest's folio or bill. The guest pays for their purchases during the checkout process. This software helps the resort accurately track its guests' buying behavior and increases hotel efficiency because it reduces paperwork by using a central bookkeeping system. The software is not independent, remote, or retractable.

SOURCE: NF:106 Use software to automate services

SOURCE: Mehl, B. (2018, December 14). *This is how hotel key cards work*. Retrieved August 15, 2022, from <https://www.getkisi.com/blog/how-do-hotel-key-cards-work>

53. C

Discover relationships. Data mining is the process of searching computer databases for patterns of information and correlations or relationships among information. Businesses use the information they obtain from data mining to make different types of business decisions. For example, a business might want to increase its sales. The business might use data-mining techniques to determine and analyze which customers possess the highest buying potential. The primary purpose of data mining is not to stabilize sales, develop services, or summarize ideas.

SOURCE: NF:148 Discuss the nature of data mining

SOURCE: Twin, A. (2022, August 2). *Data mining*. Retrieved August 15, 2022, from <https://www.investopedia.com/terms/d/datamining.asp>

54. B

Salesperson A. Businesses often maintain databases of information to determine which salesperson has the highest amount of sales during a period of time. The database helps the business analyze information because salespeople with the most orders or the highest average invoice are not necessarily the ones who have the highest amount of sales. In this situation, salesperson A has 125 orders that each average \$215 for a total of \$26,875 ($\$215 \times 125 = \$26,875$). Although salesperson B and salesperson D each have more orders, the average invoice is less, which results in less sales (\$26,832 for salesperson B and \$26,797 for salesperson D). Salesperson C has a higher average invoice amount but fewer orders for a total of \$26,378.

SOURCE: NF:185 Use database for information analysis

SOURCE: Spacey, J. (2018, August 26). *10 types of information analysis*. Retrieved August 16, 2022, from <https://simplicable.com/new/information-analysis>

55. A

Descriptive statistics. Descriptive statistics are numbers that are used to summarize and describe data. Examples of descriptive statistics are mean (the simple mathematical average of a set of numbers), median (the middle number in a sorted list of numbers), and mode (the number occurring most frequently in a set). By analyzing descriptive statistics, marketing and other business managers can see the current state of affairs within the company as well as past performance. Predictive statistics, on the other hand, are used to help forecast future probabilities and trends based on historical data. Researchers use various modeling and statistical techniques to achieve this goal. In this example, Roger is analyzing descriptive statistics, not predictive statistics to aid his decision-making. He is not coding data or studying customer feedback.

SOURCE: NF:236 Explain the use of descriptive statistics in business decision making

SOURCE: Lamar University. (2022, June 29). *How are statistics used to make business decisions?* Retrieved August 15, 2022, from <https://degree.lamar.edu/articles/undergraduate/how-are-statistics-used-to-make-business-decisions>

56. B

Three. The mode is the most commonly occurring number in a certain data set. In this case, the mode is three, which indicates that the most common frequency of visits among this customer group is three—not one, seven, or four.

SOURCE: NF:237 Interpret descriptive statistics for business decision making

SOURCE: Purplemath. (2022). *Mean, median, mode, and range*. Retrieved August 15, 2022, from <https://www.purplemath.com/modules/meanmode.htm>

57. C

Secondary. In general, data for research purposes are classified into two categories: primary and secondary data. Primary data are facts collected specifically for the problem or project at hand. In other words, primary data are collected through original research. Secondary data, on the other hand, are facts and figures that have already been collected for purposes other than the project at hand. Census data, psychographics, public opinion polls, and tourism forecasts are all examples of secondary sources of data, not primary (or "original") sources of data. "Seasonal" is not a term typically used to describe sources of information or data.

SOURCE: NF:281 Explain sources of secondary hospitality and tourism information

SOURCE: Destination BC. (2015, March). *Research guide for tourism operators*. Retrieved August 15, 2022, from <https://www.destinationbc.ca/content/uploads/2018/07/TBE-Guide-Research-Guide-For-Tourism-Operators-Mar-2015.pdf>

58. B

Bar chart. A bar chart is effective for showing separate data sets that are similar, such as room bookings for different months. A pie chart is best used when there are less than five categories to plot and/or to represent parts of a whole. A Venn diagram is only effective when data sets have a common, or overlapping, element. A scatter chart is used to illustrate a relationship or correlation between two variables.

SOURCE: NF:289 Display hospitality and tourism data in charts/graphs or in tables

SOURCE: Sharma, H. (2022, April 29). *Best types of charts in Excel for data analysis, presentation and reporting*. Retrieved August 15, 2022, from <https://www.optimizesmart.com/how-to-select-best-excel-charts-for-your-data-analysis-reporting>

59. B

Keep the slides simple. Presentation slides should be designed as simply as possible to avoid distracting, confusing, or overwhelming your audience members. Slides should include simple bullet points and one or two visuals at most. Text should be limited to whatever is absolutely necessary to convey the most important information. It would be unprofessional to include too many graphics or words per slide.

SOURCE: NF:290 Prepare and use presentation software to aid in making oral reports

SOURCE: Columbia College. (2022, June 9). *Giving presentations*. Retrieved August 15, 2022, from <https://columbiacollege-ca.libguides.com/presentations/software>

60. A

Identifying needs. The first step in the purchasing process is identifying needs. Initiating promotion, managing the sales force, and selecting subordinates are not part of the purchasing process.

SOURCE: OP:015 Explain the nature and scope of purchasing

SOURCE: LAP-OP-015—Buy Right (Purchasing)

61. C

Adequate training. Businesses need to train employees so they will understand their jobs and have the ability to work with customers. Employees who know what they are expected to do and how to do it usually create a sense of quality in a business. They are able to function effectively and provide quality service to customers. In return, customers appreciate the quality and continue to buy from the business. Once they are trained, competitive wages and fringe benefits help keep good employees. Ongoing assessments tell employees how they are doing and provide suggestions for improvement.

SOURCE: OP:019 Describe crucial elements of a quality culture

SOURCE: Speer, J. (2019, July 28). *What is a quality culture? (and 7 tips for creating one)*. Retrieved August 15, 2022, from <https://www.greenlight.guru/blog/quality-culture>

62. A

Limit shore tours to ones approved by the cruise line. Cruise lines conduct extensive research and planning to determine the best route and destination points. The companies are familiar with many of the local tour and transportation services at the ports of call, and not all of them meet the standards of service and ethical responsibility that the cruise line or traveler expects. Therefore, tourists should use tour companies that are approved or recommended by the cruise line. This recommendation also applies to any transportation service (e.g., bus or taxi). Valuables, such as jewelry, should be locked in a safe on the ship to reduce the chance of theft onboard the ship or while on shore. For safety measures, a tourist should travel in organized groups instead of alone while on shore.

SOURCE: OP:115 Explain security considerations in the hospitality and tourism industry

SOURCE: Coulter, A. (2020, January 8). *9 tips for staying safe on a cruise ship*. Retrieved August 15, 2022, from <https://www.cruisecritic.com/articles.cfm?ID=1698>

63. A

The safety and security of hotel guests. During an emergency, hotel guests should be top priority—not hotel art or décor. The safety and security of hotel employees and top personnel is also important, but guest safety should be the main objective.

SOURCE: OP:119 Handle emergency situations in hospitality and tourism

SOURCE: Segal, M. (2017, September 11). *Routines for emergencies: 9 ways hotel security must prepare emergency procedures*. Retrieved August 15, 2022, from <https://www.hospitalitynet.org/opinion/4084471.html>

64. B

An inventor obtains a patent for a new product. Intellectual property is defined as having no physical characteristics. In other words, it is intangible. A patent would be considered intellectual property. Other examples of intellectual property include copyrights and trademarks. Computers, food, and human resources are all tangible resources with physical characteristics, so they are not considered intellectual property.

SOURCE: OP:153 Protect company information and intangibles

SOURCE: Kenton, W. (2022, July 27). *Intellectual property*. Retrieved August 15, 2022, from <https://www.investopedia.com/terms/i/intellectualproperty.asp>

65. A

R&D project. Inventing and testing a brand-new type of water-filtration system is an example of an R&D project, a risky endeavor that creates new technologies or processes. A derivative project enhances, adds to, or extends an existing project. A platform project creates something entirely new. A breakthrough project relies on the use of new technology but does not create new technology as an R&D project does.

SOURCE: OP:158 Explain the nature of project management

SOURCE: LAP-OP-158—Projected to Win (Nature of Project Management)

66. A

Creating a quality assurance checklist. Proactive quality control involves stopping problems before they happen. One way to do this is by creating a quality assurance checklist. Quality assurance methods are typically proactive and often save money since defective products are never produced. Reactive quality control focuses on fixing problems after they've happened. This can include tasks such as filling out a corrective action report, inspecting finished products, and processing customer returns. Reactive quality control tends to cost more money and create more waste, since problems aren't discovered until after the products have already been produced.

SOURCE: OP:164 Utilize quality control methods at work

SOURCE: McKenzie, E. (2017, September 26). *The differences in quality control and quality assurance*. Retrieved August 15, 2022, from <https://bizfluent.com/list-7628030-differences-quality-control-quality-assurance.html>

67. D

Monitor and control expenses. An invoice (bill) documents how much a customer or client owes for the goods or services a business provides. To operate, a business orders office supplies, outsources services (e.g., legal advice), leases equipment, etc. Its vendors send the business bills (invoices) that state how much the business owes. The business monitors and tracks the invoices to make sure it is billed correctly. If the business finds a discrepancy (e.g., incorrect tax amount) on a bill, the business will likely contact the vendor to make necessary adjustments. Tracking invoices is one way the business controls its expenses. Accounts receivable are the monies coming into the business. Businesses do not track invoices to evaluate the vendors' performance levels.

SOURCE: OP:184 Track invoices

SOURCE: FreshBooks. (2022, May 19). *How to keep track of invoices and payments. A how-to guide*. Retrieved August 15, 2022, from <https://www.freshbooks.com/hub/payments/keep-track-of-invoices-and-payments>

68. D

Purchasing. Purchasing employees are responsible for buying the raw materials that a business uses to make its products. Buying higher or lower quality materials can sometimes present an ethical conflict for these employees. Employees in shipping, inventory management, and accounting do not purchase materials.

SOURCE: OP:190 Discuss the role of ethics in operations

SOURCE: LAP-OP-190—Above Board (Ethics in Operations)

69. A

Standard. A standard order is placed when a need arises. Elaine places a standard purchase order with Sheets Paper Company when she needs to do so. A blanket order involves planning several orders at once. There is no indication that a blanket order was used in this example. A planned purchase order is done in advance based on future needs, which is not Elaine's situation. A contract order is a formal version of a planned purchase order, involving a legal agreement. There is no indication that a contract order was used.

SOURCE: OP:250 Describe types of purchase orders

SOURCE: Chan, M. (2019, December 16). *4 types of purchase orders every business needs to know*. Retrieved August 15, 2022, from <https://www.unleashedsoftware.com/blog/managing-procurement-purchase-orders>

70. A

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 Discuss types of inventory

SOURCE: Banton, C. (2021, October 30). *Raw materials*. Retrieved August 15, 2022, from <https://www.investopedia.com/terms/r/rawmaterials.asp>

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

SOURCE: Murray, J. (2020, July 21). *How to protect your company's digital assets*. Retrieved August 15, 2022, from <https://www.thebalancesmb.com/how-to-protect-company-digital-assets-4153375>

72. B

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 Comply with strategies to protect digital customer data (e.g., information about customers, customers' credit-card numbers, passwords, customer transactions)

SOURCE: Conlin, B. (2022, June 29). *How to improve your small business's cybersecurity in an hour*. Retrieved August 15, 2022, from <https://www.businessnewsdaily.com/15046-quick-cybersecurity-tips.html>

73. C

Minimal. Creative people are often very independent and prefer working with minimal or no supervision. They tend to rebel against a great deal of authoritative control. They may appear to be nonconformists and perform better without close or direct supervision.

SOURCE: PD:012 Demonstrate appropriate creativity

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

74. C

Emotion. Chad feels strongly about the second car, so his decision-making is influenced by his emotion. Chad isn't influenced by experience because he hasn't encountered this particular option before. Framing is an external factor that refers to the way an option is presented. Chad isn't being influenced by insight or intuition because he doesn't have a gut feeling that the second car is better. In fact, he knows that the first car is a much better buy, but he decides to go with the second car anyway.

SOURCE: PD:017 Make decisions

SOURCE: LAP-PD-017—Weigh Your Options (Decision-Making)

75. C

Assess your skills and interests. Before you make any career decisions, it's important to assess your unique skills, interests, talents, and experiences. By performing a thorough self-assessment, you can identify potential occupations that you may enjoy. Researching every career you are familiar with would be time-consuming and overwhelming. Instead, you should focus on learning about a few select occupations that match your personality and abilities. Shadowing someone at work can help you determine if a potential occupation is right for you, but you should perform a self-assessment first to determine whom to shadow. Similarly, applying for an internship or apprenticeship is helpful only after you've narrowed down the career fields that you are interested in.

SOURCE: PD:023 Identify tentative occupational interest

SOURCE: Gonyea, J. (2012). *Select the right career path*. Retrieved August 15, 2022, from <https://www.monster.com/career-advice/article/select-right-career-path>

76. B

Provide a brief explanation of your qualifications for a job. A letter of application should be considered an opportunity to convince the reader that you have the qualifications that match the job opening. Your "sales pitch" should be briefly presented, saving the details for the job interview. You should avoid the use of humor in application letters since you are writing about an important, serious topic. Educational achievements should be stressed in relation to the job opening if you have little or no work experience to discuss. The employer should receive a neatly typed, original letter of application.

SOURCE: PD:030 Write a letter of application

SOURCE: Doyle, A. (2021, July 16). *How to write a job application letter (with examples)*. Retrieved August 15, 2022, from <https://www.thebalancecareers.com/how-to-write-a-job-application-letter-2061569>

77. D

Problem-solving. If Carmen is able to turn her challenges into opportunities, she has problem-solving skills. Carmen can find her way over whatever obstacle she is facing. Problem-solving skills are important in the workplace because they can help you achieve your professional goals. Communication, time management, and teamwork skills are all important in the workplace, but Carmen is not illustrating them in this example.

SOURCE: PD:077 Demonstrate problem-solving skills

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

78. C

Train, car rental, and airline. The focus of the travel industry is transportation. Train, car rental, airline, bus, cruise ship, taxi, and ferry services transport travelers from one place to another. Lodging provides sleep accommodation for travelers. Convention planning and visitor services are components of the tourism industry. Recreation services provide rest, relaxation, and enjoyment activities. These activities vary greatly and include things such as spectator sports, spa services, museums, amusement parks, camping, etc.

SOURCE: PD:111 Describe the nature of the hospitality and tourism industry

SOURCE: Kurtz, J. (2022). *What is the hospitality industry?* Retrieved August 15, 2022, from <https://www.webstaurantstore.com/blog/3726/what-is-the-hospitality-industry.html>

79. B

Lodging. Lodging is typically considered a hospitality and tourism career. Office management, supply chain management, and business analytics are usually considered business management and administration career areas.

SOURCE: PD:272 Explain career opportunities in hospitality and tourism

SOURCE: LAP-PD-272—Career Opportunities in Hospitality and Tourism

80. D

Low profit margin. Pricing affects promotion decisions in a number of different ways. For instance, products with very low profit margins are usually promoted in lower-priced media. In other words, companies that have low profit margins and/or small promotional budgets often promote themselves largely on social media, which usually costs very little. The opposite would be true for a product with a high profit margin. Products that have high profit margins are usually promoted in a combination of media, including radio, TV, newspapers, and magazines. Flexible and realistic prices are not as likely to affect a business's promotional decisions.

SOURCE: PI:001 Explain the nature and scope of the pricing function

SOURCE: LAP-PI-001—The Price Is Right (Nature of Pricing)

81. B

No, it can delay entry into the full market. Test marketing involves introducing a product to a limited market to see what its acceptance will be. Test marketing serves to guide the planning of actual marketing strategies. The product may be tried out in specific locations to get customers' and retailers' reactions before starting a wider distribution. However, not all new products need test marketing. Test marketing may not be used for some products/services because it is costly, delays entry into the full market, provides no guarantee of actual success, may not give an accurate picture of performance, and gives competitors an opportunity to steal the idea while it is being tested.

SOURCE: PM:001 Explain the nature and scope of the product/service management function

SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

82. A

Product cannibalization. Businesses watch and adjust their product lines to meet customers' changing needs and wants, which helps them compete effectively in the marketplace and generate profits. A business might decide to remove a product from its product mix to avoid or eliminate cannibalization, which occurs when the sale of one of a company's products takes away sales from another product. In short, the business will give up one product to extend the life cycle of another product. Alteration is a product-mix strategy that involves making changes to the company's products or lines. Alteration may involve completely redesigning a product or changing things such as color, style, or packaging. Substitution involves using a similar product in place of another good or service. A business might substitute one or a few products, but it is unlikely to substitute items for its entire inventory. Inventory shrinkage involves inventory losses due to shoplifting, employee theft, breakage, misplaced goods, or poor record keeping.

SOURCE: PM:003 Explain the concept of product mix

SOURCE: LAP-PM-003—Mix & Match (The Nature of the Product Mix)

83. C

New products are easier to introduce. Products are easier to introduce under an accepted, recognized brand name. One of the reasons this is true is that family brands are tied to company image. Family brands are used for related products, not unrelated products. The amount of shelf space needed depends on the number of items in the product line. Sellers are generally more willing to provide additional shelf space for an addition to a successful family brand.

SOURCE: PM:021 Explain the nature of product/service branding

SOURCE: LAP-PM-021—It's a Brand, Brand, Brand World! (Nature of Product Branding)

84. A

Are cheaper and safer than introducing new products. A product extension, or line extension, uses an existing brand to introduce a new and related product in the same product category, often to satisfy previously unmet needs in that market. Because product extensions can rely on the reputation of the parent brand, they are often less expensive and less risky than introducing a completely new product. Brand extensions allow businesses to compete in different product categories. Product extensions have no bearing on manufacturing speed. Product extensions build off of, but do not replace, products already on the market.

SOURCE: PM:099 Explain the nature of product extensions in the hospitality and tourism industry

SOURCE: TopRight Leadership. (2016, November 21). *6 vital steps for brand extension success*. Retrieved August 16, 2022, from <https://www.toprightpartners.com/insights/6-vital-steps-brand-extension-success>

85. D

Benefits. A corporate brand is a brand that represents a company or parent business entity. An effective corporate brand uses a variety of tools that creates and reinforces certain impressions and images of the business in the minds of the consumers, which involves communicating the company's benefits. For example, an entertainment business's brand is likely to communicate the idea or image of "fun" as a benefit to consumers. Successful brands do not communicate motives in a vague way. Not all members of the target market may understand the business's jargon. Procedures are the processes that employees use to perform certain tasks.

SOURCE: PM:206 Explain the nature of corporate branding

SOURCE: Dodhia, Z. (2021, July 16). *5 reasons to pay attention to corporate branding*. Retrieved August 16, 2022, from <https://blog.reputationx.com/guest/importance-of-corporate-branding>

86. D

Will be able to fulfill the company's needs in a timely manner. When selecting vendors and suppliers, companies should make sure that the vendor they choose will be able to fulfill the company's needs in a timely manner so that delays and other production issues can be avoided. It is unnecessary for a vendor to agree with the company's stance on political issues, and politics should not be a reason for choosing one vendor over another. It would be inappropriate and unethical to select a vendor simply because the vendor was willing to cooperate in unethical business practices. A vendor's ability to participate in the company's annual volunteer event should not affect a vendor's quality as a potential business partner.

SOURCE: PM:239 Evaluate vendors' goods and services

SOURCE: Brown, C. (2017). *7 tips for rating and evaluating your vendors and suppliers*. Retrieved August 16, 2022, from <https://www.inc.com/guides/2010/12/7-tips-to-rate-and-evaluate-your-suppliers-and-vendors.html>

87. D

Public service. Public-service promotions inform customers about noncontroversial issues that are in the public's best interest. Public-service promotions build goodwill for the company, especially when they depict the company as a friend of the community. Patronage promotions are designed to promote a firm's prestige or its features. Institutional promotion is not referred to as accidental or individual.

SOURCE: PR:002 Explain the types of promotion (i.e., institutional, product)

SOURCE: LAP-PR-902—Know Your Options (Product and Institutional Promotion)

88. B

Sales promotion. Sales promotion consists of any activity other than advertising, publicity, and personal selling that are designed to increase sales. The prizes that can result from use of Monopoly help to increase sales. Transit advertising is a form of out-of-home media such as billboards, car wraps, and street furniture ads. Personal selling is an effort by a company representative to complete sales transactions. Publicity is any nonpersonal presentation of ideas, goods or services that is not paid for by the company or individual which benefits from or is harmed by it.

SOURCE: PR:121 Describe the concept of promotion in the hospitality and tourism industry

SOURCE: Kelwig, D. (2022, March 9). *Sales promotion: Definition, examples, ideas, and types*. Retrieved August 16, 2022, from <https://www.zendesk.com/blog/sales-promotion>

89. A

Value. When a customer considers a product to be worth the money they spent on it, the product demonstrates value. Value is an important characteristic of a quality product. Excellence means that a product is useful and performs its job well. Conformance to specifications refers to whether a product meets predetermined quality standards. Customer satisfaction refers to whether a product meets customer wants and needs.

SOURCE: QM:001 Explain the nature of quality management

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

90. A

To demonstrate the effectiveness of risk management. An internal audit is an independent, objective assurance and consultation. It involves evaluating and improving processes in an organization. Performing an internal audit can demonstrate the effectiveness of risk management within an organization. Internal audits do not necessarily provide a framework for risk management, standardize the risk reporting process, or implement risk responses.

SOURCE: RM:058 Discuss the nature of risk control (i.e., internal and external)

SOURCE: Kenton, W. (2021, January 31). *Risk control*. Retrieved August 16, 2022, from <https://www.investopedia.com/terms/r/risk-control.asp>

91. D

Become an expert on the cars he will be selling. No matter what product they are selling, no salesperson can sell without preparation. The first thing Brandon should do before making any sales is to learn about the cars he will be selling, so that he can effectively help his customers find cars that fit their specific needs. Establishing relationships with fellow salespeople is beneficial, but not necessary to make sales. Prospecting and qualifying leads is something Brandon should do after learning about the cars he will be selling. Shadowing a more experienced salesperson would also be beneficial to Brandon, but it is more important for him to learn about his products first.

SOURCE: SE:048 Explain the selling process

SOURCE: LAP-SE-048—Set Your Sales (The Selling Process)

92. D

As a selling point. Company advertising often provides salespeople with information that they can use in selling. In this case, the salesperson could use the information about "no finance charges for six months" as a selling point to encourage customers to buy. If all other factors were equal, the information about no finance charges might be the factor that caused a customer to buy from the salesperson's company rather than another. Salespeople should not pressure customers or try to use promotional information for personal gain. Most salespeople do not have the authority to reduce prices for advertised goods or services.

SOURCE: SE:062 Acquire product information for use in selling

SOURCE: LAP-SE-062—Get Informed (Acquiring Product Information for Use in Selling)

93. C

Customer service. If you offer a product with the best price and the best quality, you might think you'll beat all the competition. Unfortunately, that will only get you so far—over time, price and quality can be easily matched among competitors. In selling, customer service is where the real competition among businesses begins. For example, imagine you're a salesperson for a company that manufactures tires to sell to automakers. The tires you make aren't much different than the tires your clients could get from any other company, and the prices are similar, too. That's when customer service becomes key. Are you available when your clients need you? Are you willing to help them when they need to change orders? Can you help your customers if there's a problem with their shipments? These are the actions that will separate your company from the rest of the pack. Promotions, online reviews, and product longevity may help your product sell, but customer service is where the competition among businesses truly begins.

SOURCE: SE:076 Explain the role of customer service as a component of selling relationships

SOURCE: LAP-SE-076—Go Beyond the Sale (Customer Service in Selling)

94. D

\$85.06. Many restaurants offer special prices on certain types of dinners to attract customers. Customers order those dinners because they are priced lower than usual. If customers also have coupons for discounts, the restaurant calculates the discount to determine the total cost. In this example, the restaurant is offering lobster dinners for \$22.99. A table of four orders the dinners, but two of the customers have coupons for discounts. To process the coupons, the restaurant subtracts the discount amount from the cost of the two dinners. To determine the amount of discount, add the cost of the two dinners and calculate the 15% discount ($\$22.99 \times 2 = \45.98 ; $\$45.98 \times 15\%$ or $.15 = \$6.897$ or $\$6.90$). Then, subtract the discount from the cost of the two dinners ($\$45.98 - \$6.90 = \$39.08$). Add the discounted price of the two dinners to the regular price of the other two dinners to calculate the total cost for the table ($\$39.08 + \$22.99 + \$22.99 = \85.06).

SOURCE: SE:149 Process complimentary offers and coupons/discounts

SOURCE: Omni Calculator. (2022, August 8). *Discount calculator*. Retrieved August 16, 2022, from <https://www.omnicalculator.com/finance/discount>

95. C

Esteem. Their trip satisfied their need for fulfillment of ego and status because the Ritz Carlton and Tavern on the Green are upscale establishments. Belonging involves the social need to be associated with others. Feeling protected from harm fulfills safety needs. Self-actualization involves realizing maximum potential and emotional well-being.

SOURCE: SE:220 Explain factors that motivate people to choose a hospitality and tourism site

SOURCE: InnerAction Media. (2016, October 12). *Maslow's hierarchy of needs & marketing*. Retrieved August 16, 2022, from <https://www.inneractionmedia.com/blog/maslows-hierarchy-of-needs-marketing>

96. D

Can extend the customer base of the hotel. Happy customers buy gift certificates for friends, who become happy customers that purchase gift certificates for friends, and so on. With each satisfied customer and gift certificate purchase, the hotel promotes its property and builds its customer base. Gift certificates that can provide experiences (rather than just products) and are conveniently redeemable by recipients are benefits for the customers more than the hotel. Gift certificate production costs are usually not a large factor for hotels.

SOURCE: SE:479 Sell gift certificates in hospitality and tourism

SOURCE: Webrezpro. (2022). *Boost revenue with hotel gift certificates*. Retrieved August 16, 2022, from <https://www.webrezpro.com/boost-revenue-with-hotel-gift-certificates>

97. C

Selling-activity. Selling-activity policies cover presenting the sales message, prospecting, establishing the relationship, qualifying the customer, servicing the account, and entertaining the customer. Terms-of-sale policies cover price, delivery, credit, discount, and guarantee policies. Delivery is part of terms-of-sale. Service policies govern the support a company provides after the sale.

SOURCE: SE:932 Explain company selling policies

SOURCE: LAP-SE-932—Sell Right (Selling Policies)

98. C

Management. Management is the process of coordinating resources to accomplish an organization's goals. This function includes planning, which is deciding what work will be done and how it will be accomplished. Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. Collective bargaining is the negotiating process in which union leaders and company representatives engage to determine the terms and working conditions that are to be provided to employees. Physical distribution is the marketing function that is responsible for moving, storing, locating, and/or transferring ownership of goods or services.

SOURCE: SM:001 Explain the concept of management

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

99. A

A need for process improvement. Process improvement occurs when a business's managers figure out how to increase efficiency. This often includes making changes to human resources. Process improvement isn't the same as needing new types of skills and experience, experiencing a change in government regulations, or feeling pressure from the competition.

SOURCE: SM:065 Describe managerial considerations in staffing

SOURCE: LAP-SM-065—Dream Team Maker (Staffing)

100. C

Directing is considered the “heart” of management. Directing is what sets managers apart from other employees. Without it, the other management functions (planning, organizing, staffing, and controlling) wouldn't have much value. Directing is the point from which the actual work starts. It is the source of employees' energy and performance, and it maintains the healthy functioning of the business. It is not true that some employees do not need direction. Staffing is not necessarily more important than directing. Finally, it is not true that only top-level managers participate in directing. Directing occurs at all levels of management.

SOURCE: SM:066 Discuss managerial considerations in directing

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