



Competency-Based  
Competitive Events  
\*Written Exam\*  
for District/Regional Use

Test Number 1140  
Booklet Number \_\_\_\_\_

# Business Administration

## Core Exam

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

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1. Jean, Keisha, and Kyle want to start their own business but are concerned about the higher tax rate for corporations as well as the double taxation on corporate profits and dividends paid to stockholders. What type of business ownership should they consider?
  - A. "S" corporation
  - B. Partnership
  - C. Open corporation
  - D. Close corporation
  
2. Brandon has been given a 385-page report and does not have time to review the entire document, but he does need to understand specific information that is included in the report. What section of the report will guide Brandon to the information he needs?
  - A. Analysis
  - B. Bibliography
  - C. Appendices
  - D. Table of contents
  
3. To be reimbursed for business expenses, Luke must obtain and complete an expense-reimbursement form, attach the original transaction receipts to the completed form, and submit the documentation to his manager for approval. What is Luke doing?
  - A. Following company procedures
  - B. Developing company policies
  - C. Evaluating company feedback
  - D. Assessing company guidelines
  
4. During a meeting, Kevin provided an idea for cutting departmental costs by 20 percent. Which action would indicate that Kevin's supervisor liked his idea?
  - A. Rolling his/her eyes while sarcastically stating, "Great idea, Kevin"
  - B. Nodding, smiling, and writing down the idea
  - C. Making eye contact, frowning, and crossing his/her arms
  - D. Cutting Kevin off while he's speaking and asking for more ideas
  
5. Ramona's teacher is giving directions for the midterm; but the two students sitting on either side of Ramona are whispering to each other, and it's hard for her to hear. Ramona focuses all of her attention on the teacher, so she doesn't miss anything important. Which of the following steps for following directions does this situation illustrate?
  - A. Acknowledging directions verbally or nonverbally
  - B. Eliminating distractions
  - C. Reaching consensus
  - D. Recommending alternatives
  
6. What element of voice is important in order to communicate effectively with others?
  - A. Documentation
  - B. Vocabulary
  - C. Grammar
  - D. Articulation
  
7. Often, the most effective way to interpret others' nonverbal cues is to look at their
  - A. clothing style.
  - B. leg movements.
  - C. facial expressions.
  - D. office decor.

8. What is the most appropriate closing to include in a response to a customer's email inquiry for product information?
- The model 2CR is available in three colors—red, black, and white. Reply by email with the color that you want.
  - On behalf of LVN Industries, thank you for your order. Your confirmation number is 243597.
  - We apologize for the inconvenience and will send a corrected invoice to you within 24 hours.
  - Thank you for your interest in XWQ products. Please let me know if you have any additional questions.
9. Once you know your group's purpose, what should you do next?
- Contribute in a useful way
  - Find out what people know about the subject
  - Volunteer a new idea
  - Agree on ground rules
10. Allison is attending a business seminar. Because the seminar presenter is speaking very quickly, Allison is having a difficult time taking accurate notes. What technique would help Allison take notes quickly?
- Write notes on index cards
  - Use abbreviations and symbols
  - Focus on the subtopics
  - Ask the speaker to provide handouts
11. Which of the following is an example of a text-oriented graphic that is often used to illustrate a business process or organizational structure:
- Flowchart
  - Pictograph
  - Map
  - Pie chart
12. A credit manager must write a letter of rejection to a credit applicant. To maintain the customer's patronage, the letter should
- not mention the credit application.
  - state the bad news immediately.
  - be a formal letter of apology.
  - open with a positive statement.
13. As Kevin edits a professional report, he is not sure whether to italicize or underscore a book title. To obtain the correct information, Kevin should
- identify the readers' preferences.
  - seek a coworker's opinion.
  - look up the information in a current dictionary.
  - refer to the appropriate publisher's style manual.
14. The opening sentences of an effective business letter should
- be completely impersonal.
  - come right to the point.
  - always be formal.
  - avoid specific details.
15. A salesperson who is planning a business trip to meet with several customers in a different city might write letters of inquiry in order to
- explain requirements.
  - transmit information.
  - develop goodwill.
  - request appointments.

16. Which of the following is the most appropriate method for supervisors to use when communicating about personal or confidential issues with individual employees?
- Telephone conference call
  - Company newsletter
  - Face-to-face meeting
  - Staff memo
17. Why do advertising agency account executives often participate in meetings and problem-solving groups?
- To place ads in local newspapers
  - To schedule production facilities
  - To develop ad campaigns for clients
  - To write copy for promotional brochures
18. It is important for employees to demonstrate a customer-service mindset when they are
- handling problems.
  - contacting suppliers.
  - placing orders.
  - preparing schedules.
19. Why is it important for employees to effectively communicate information about the business to customers?
- To promote teamwork
  - To display integrity
  - To build morale
  - To provide service
20. Special events, demonstrations, contests, and coupons are activities that are controlled by a business's \_\_\_\_\_ policies.
- employee
  - promotional
  - service
  - product
21. What type of difficult customer may be the most trying on your patience and do the most damage to the image of your business?
- Slow/Methodical
  - Domineering/Superior
  - Suspicious
  - Disagreeable
22. To handle customer complaints effectively, the first thing that employees should do is
- listen to the customers to understand their concerns.
  - take the customers' problems personally.
  - give the customers what they want to make them happy.
  - state the business's policies to prevent misunderstandings.
23. Which of the following is an example of a brand promise:
- Henderson Photography...uniquely capturing your special moments is our priority.
  - Leather sofas only \$499 this weekend—buy now at Fred's Furniture Warehouse.
  - Low credit terms are available for qualified customers until January 2014.
  - For your convenience, four Cup O' Joe locations are open in the greater metro area.

24. Which of the following is NOT a capital resource:
- Warehouse
  - Manufacturing plant
  - Assembly line worker
  - Production equipment
25. Economics is concerned primarily with evaluating alternatives and
- increasing foreign trade.
  - financing the national debt.
  - making economic decisions.
  - producing goods and services.
26. A gas station sells close to the same amount of gas every month, even if the price of gasoline goes up or down. This is because demand for gasoline is
- inessential.
  - elastic.
  - discretionary.
  - inelastic.
27. If customers feel that a product's price is too high, they will probably
- call the Better Business Bureau.
  - buy less of the product.
  - make a formal complaint.
  - try to negotiate the price.
28. Molly works in operations. Her job is to make sure that the business has all the supplies it needs to keep production going smoothly. Molly works in the area of
- purchasing.
  - financial analysis.
  - marketing.
  - human resources management.
29. Property and income are not distributed equally in a private enterprise system because skilled workers usually
- receive higher salaries.
  - belong to a union.
  - work longer hours.
  - pay higher taxes.
30. Which activities are likely to increase a firm's profit?
- Increasing supplies and decreasing production
  - Increasing sales and decreasing expenses
  - Decreasing sales and increasing expenses
  - Decreasing supplies and increasing production
31. Which of the following is most likely to be a result of competition:
- More monopolies
  - Reduction in product quality
  - High prices
  - Development of new products
32. Expressing empathy and being willing to help others are the aspects of emotional intelligence that relate to
- self-management.
  - social awareness.
  - relationship management.
  - self-awareness.

33. Why is it sometimes difficult to be honest about strengths?
- A. Few people have strengths.
  - B. No one likes to recognize strengths.
  - C. Weaknesses are more significant than strengths.
  - D. We don't want to brag.
34. The relationship between your traits and your personality can be described as
- A. independent.
  - B. nonexistent.
  - C. interdependent.
  - D. indirect.
35. How can you let people know that you are really thinking about what they are saying?
- A. By using clichés
  - B. By making jokes
  - C. By asking questions
  - D. By making comments
36. Most businesses consider initiative to be \_\_\_\_\_ for employees.
- A. elective
  - B. optional
  - C. essential
  - D. irrelevant
37. Workers should demonstrate honest behavior on and off the job because they will
- A. be more likely to receive promotions.
  - B. show that they can be trusted.
  - C. probably earn more money.
  - D. be less likely to have problems.
38. Ethical employees are responsible workers who can be counted on to
- A. do whatever it takes to get ahead.
  - B. complete the tasks they start.
  - C. copy the actions of celebrities.
  - D. discuss personal issues with coworkers.
39. To take responsibility for your decisions and actions, it's important to build your self-confidence and
- A. work portfolio.
  - B. grades.
  - C. self-esteem.
  - D. physical fitness.
40. Jana has a meeting with her boss for two hours at 10:00 Monday morning and is leading a videoconference at 4:30 that afternoon. Susan, a potential investor, calls Jana early Monday morning and says that she will be flying in from Portland at 11:30 a.m. After she picks up her rental car, Susan wants to meet with Jana early Monday afternoon. Jana knows that meetings with her boss tend to last longer than expected, and that Susan will have a 45-minute drive from the airport to her office. The investor could really help the company, so Jana feels that it is important to meet with Susan. What should Jana tell this important potential investor about meeting on Monday afternoon?
- A. Tell Susan that Monday is a very bad day and suggest that they schedule a meeting the following week
  - B. Suggest that they meet for lunch at 1:15 p.m. at a restaurant located between the airport and her office
  - C. Ask Susan to meet her at her office at noon for a lunch meeting
  - D. Advise Susan that she can meet her at the airport lounge at 3:15 p.m.

41. How does communicating with others help you to maintain a positive attitude?
- By providing you with support for your ideas
  - By helping you to feel understood
  - By allowing you to justify your opinions
  - By informing you about others' achievements
42. Should you be able to adjust to change more quickly over time?
- Yes, the more change you cope with, the faster you adjust.
  - Yes, practicing adjusting to change makes it go faster.
  - No, adjusting to change takes most people very little time.
  - No, the length of time it takes depends on the kind of change.
43. One way that businesses can protect the privacy of their customers is to limit the number of employees who have access to the customers'
- purchasing histories.
  - personal information.
  - identification codes.
  - telephone numbers.
44. Which of the following is central to the concept of empathy:
- Respect for others
  - College degree in psychology
  - Friendship
  - Similar occupation
45. Ben and Tasha are coworkers who are applying for the same supervisory position in the company and now they are NOT speaking to each other. The reason for the conflict is
- exclusion.
  - unclear boundaries.
  - authority.
  - unclear expectations.
46. If a leader takes ownership of a problem, makes sure it is fixed, and takes steps to prevent it from happening again, s/he is demonstrating
- flexibility.
  - adaptability.
  - responsibility.
  - social awareness.
47. When you ask yourself, "What would I attempt to do if I knew I could not fail?", you are determining your
- necessary resources.
  - aspirations.
  - reason for existing.
  - values.
48. When employees demonstrate adaptability, they are able to be
- aggressive.
  - flexible.
  - honest.
  - creative.
49. What is the benefit of shared vision to an organization?
- It creates an ethnocentric environment.
  - It ensures that the team's goals are achievable.
  - It serves as a guide for decision making.
  - It supports a groupthink attitude.

50. Employees who value differences in the workplace are more satisfied and increase the company's
- A. benefits.
  - B. workforce.
  - C. productivity.
  - D. assets.
51. The disadvantage to using credit cards to pay for goods and services is that you
- A. pay interest on purchases.
  - B. establish a credit rating.
  - C. earn quarterly dividends.
  - D. defer cash payments.
52. After Mrs. Green provided the cashier with \$2.50 in cash and coins, she left the grocery store with a gallon of milk. In this situation, money is being used as a
- A. bartering mechanism.
  - B. store of wealth.
  - C. negotiating tool.
  - D. medium of exchange.
53. Which of the following is NOT a concept related to the time value of money:
- A. Opportunity cost
  - B. Scarcity
  - C. Interest rates
  - D. Future value
54. Under which of the following circumstances is a cosigner held legally responsible for paying the balance owed on a bank loan:
- A. The borrower defaults on the loan.
  - B. The lender defaults on the loan.
  - C. The borrower's interest rate increases.
  - D. The lender's interest rate increases.
55. Choosing to buy an item at the check-out counter is often an example of
- A. impulsive spending.
  - B. poor use of credit.
  - C. financial self-control.
  - D. smart shopping.
56. Your annual income, an inheritance, and the money from the sale of an asset are all considered events that contribute towards your
- A. sales tax.
  - B. untaxable income.
  - C. tax loophole.
  - D. tax liability.
57. The following is written on the back of a check: "For deposit only; Maria Evans; Account #285655." This is an example of a(n) \_\_\_\_\_ endorsement.
- A. congruent
  - B. general
  - C. open
  - D. restrictive
58. When reconciling bank statements, it is important to consider
- A. services not available online.
  - B. the number of transactions.
  - C. checks that have not cleared.
  - D. the types of payroll deposits.

59. On January 3, Anna mailed her credit card payment, which was due on January 5. The credit card issuer received the payment on January 7. What most likely appeared on Anna's credit card statement the following month?
- A. Processing charge
  - B. Application charge
  - C. Late fee
  - D. Over-limit fee
60. When Stefanie receives her credit card statement at the end of the month, she sees that she was charged for a down payment on a new car that she hadn't purchased. Which of the following is NOT something she should do:
- A. Call the car dealership
  - B. File a police report
  - C. Contact her credit card company
  - D. Check her credit report
61. Individuals are most likely to require the services of a mortgage company when they want to
- A. invest in the stock market.
  - B. acquire liability insurance.
  - C. purchase real estate.
  - D. earn interest on savings.
62. Which of the following is a disadvantage of investing in bonds:
- A. They are issued by corporations or governments.
  - B. Their returns do not keep up with inflation.
  - C. You must pay a penalty for early withdrawal.
  - D. They may take a long time to provide a return.
63. What must Preston Enterprises pay to the insurance company to maintain its business liability insurance?
- A. Stipend
  - B. Commission
  - C. Fine
  - D. Premiums
64. Lucia, a business owner, just hired a new employee. What is one thing she should be sure to do on the employee's first day?
- A. Let the employee work on trivial tasks for a few days so that s/he can ease into working.
  - B. Start the new employee on work right away so that s/he becomes accustomed to his/her job duties.
  - C. Provide the new employee with all the details of every project s/he will be working on.
  - D. Assign the new employee a mentor who can answer any questions s/he may have.
65. One principle on which the marketing concept is based is that a business should be able to meet its own goals when it
- A. sells products at fair and reasonable prices.
  - B. focuses on the wants/needs of the business.
  - C. achieves maximum production.
  - D. demonstrates social responsibility.
66. Todd needs to develop an overall plan for his business but does not know what type of information to include in the document. Todd logs onto a search engine to quickly locate the information he needs. Which of the following search terms is most likely to provide Todd with desired search results:
- A. Business plan elements
  - B. Develop planning document
  - C. Plan components
  - D. Business document components

67. Which of the following is an example of a business applying information to accomplish a task:
- A. Conducting research on consumer preferences
  - B. Reviewing data on trends to develop new products
  - C. Developing questionnaires for local surveys
  - D. Examining promotional activities of competitors
68. Which of the following situations best demonstrates why businesses should retain their records:
- A. A business is planning to send press releases to the local newspaper.
  - B. A business is planning to send anniversary cards to employees on the date of their employment.
  - C. A business is planning to sell out to another company.
  - D. A business is planning to use webinars for employee training.
69. Which of the following is a trend in information management:
- A. Increased compliance laws and regulations
  - B. Decreased competition
  - C. Decreased number of electronic documents
  - D. Increased number of workers in the office
70. You cannot communicate with your computer without
- A. Windows.
  - B. a wireless mouse.
  - C. an operating system.
  - D. a mobile device.
71. Claire receives a lot of email messages every day. One client has sent her a message requesting some information that won't be available to Claire until next week. What can Claire do to remind herself to send the client the information when it is available?
- A. Forward the message to her supervisor
  - B. Flag the message for follow-up
  - C. Place the client's name in her address book
  - D. Move the message to her spam folder
72. Which of the following is the **primary** purpose of word-processing software programs:
- A. To arrange numerical data
  - B. To create text documents
  - C. To maintain tables of data
  - D. To store business records
73. Which of the following computer functions enables a computer user to bring the text and the graphics from documents and spreadsheets created in other software programs into a presentation software program:
- A. Caption
  - B. Import
  - C. Style
  - D. Draw
74. Zach is inputting numerical data into an electronic worksheet containing a series of rows and columns. What is Zach creating?
- A. Spreadsheet
  - B. Presentation
  - C. Web ring
  - D. Business letter

75. Computer programs that allow businesses to manage all types of activities, such as inventory control and finance, are known as
- wireless connectivity programs.
  - electronic communications programs.
  - interactive information display packages.
  - integrated software application packages.
76. What procedure should always be performed before posting a web page on a web server?
- Apply for a patent to protect the web page contents from plagiarism
  - Consult an attorney to verify the accuracy of the web page legal content
  - Review the page to make sure the content meets international trade requirements
  - Test the page to identify broken links, missing images, or unclear instructions
77. Operations managers must work closely with managers and employees in
- all other parts of the business.
  - the marketing department only.
  - competing businesses.
  - foreign markets.
78. Certain health and safety regulations require many types of businesses to
- install security cameras.
  - purchase new machinery.
  - offer exercise programs.
  - routinely inspect equipment.
79. Workplace safety is primarily the responsibility of
- insurance companies.
  - business management.
  - employers and employees.
  - human resource departments.
80. A common type of injury that can result from improper lifting is a
- fall.
  - strain.
  - shock.
  - wound.
81. When a workplace security issue occurs, an employee should report the problem to the appropriate \_\_\_\_\_ agency.
- health
  - fire prevention
  - law enforcement
  - welfare
82. Which of the following things should an employer do to prevent security breaches from occurring:
- Allow all employees to have access to personal information.
  - There is no way to prevent security breaches from occurring.
  - Store information on highly secure computer systems.
  - Collect complete personal information from customers.
83. The most flexible document within a project plan is the
- risk-management plan.
  - project schedule.
  - project scope.
  - quality-management plan.

84. Obtaining a line of goods for use in a business is one of the functions of  
A. controlling.  
B. selling.  
C. organizing.  
D. purchasing.
85. Why does Dan order extra copy paper, Post-it notes, and printer ink cartridges for the department when he places an order for office supplies?  
A. To reduce the need to forecast  
B. To ensure product quality  
C. To meet minimal expectations  
D. To prevent stockouts
86. Tony's Pizza Shop recently started making 100 more pizzas on Saturday evenings. This increase demonstrates an increase in  
A. pricing.  
B. distribution.  
C. publicity.  
D. production.
87. One of the reasons that organized workers are more efficient than disorganized workers is that organized workers have  
A. their materials in order.  
B. more experience.  
C. better skills.  
D. their careers well planned.
88. Which of the following is a goal that takes priority over other activities:  
A. Performance goal  
B. Effective goal  
C. Learning goal  
D. SMART goal
89. Which of the following is an example of paradigm innovation:  
A. Energy-saving light bulbs  
B. Windows computer operating system  
C. The latest model of the Honda Civic  
D. Rechargeable batteries
90. Which of the following should a person do first when facing the need to make a decision:  
A. Evaluate information  
B. Make a choice  
C. Analyze results  
D. Define the objective
91. Which of the following is an action that employees can take to meet their employer's expectations of honesty:  
A. Accepting responsibility for mistakes  
B. Completing assignments on time  
C. Helping coworkers with problems  
D. Looking for better ways to do the job
92. What should individuals consider when identifying occupations that are of interest to them?  
A. Their personalities  
B. Parents' occupations  
C. Family history  
D. Friends' opinions

93. Tony works for a large insurance company. His job is to support the company president, schedule his/her appointments, and answer his/her phone calls. Tony works in
- operations management.
  - administrative services.
  - marketing communications.
  - human resource management.
94. A good way for a job applicant to make a favorable impression during a job interview is to
- let the interviewer know that s/he expects to be hired.
  - lean back in his/her chair in a relaxed manner.
  - dress in the kind of clothes s/he would wear on the weekends.
  - show that s/he has been learning about the company.
95. Writing a follow-up letter after a job interview allows a job applicant the opportunity to
- provide references and recommendations.
  - restate his/her interest in the position.
  - explain her/his training and experience.
  - describe personal strengths and weaknesses.
96. What type of information may be listed in the work experience section of a résumé if the person has had only a few paying jobs?
- Career objectives
  - Technical training
  - Volunteer positions
  - Personal references
97. Which of the following often makes it necessary for workers to continue their education and obtain training to pursue different careers:
- Changes in geography
  - Increases in responsibility
  - Advances in technology
  - Limits to confidentiality
98. Which of the following often presents an opportunity for current employees to be considered for a promotion:
- Occupation is high paying.
  - Entry-level job is available.
  - New position is created.
  - Career is being revised.
99. When Caroline explains the company's rules of conduct to a new employee, she should also explain
- who developed the rules.
  - the specific reasons for having all the rules.
  - the consequences of breaking the rules.
  - when the rules were implemented.
100. The number of levels of management that a business needs usually depends upon the
- location of the facility.
  - age of the employees.
  - goals of the company.
  - size of the business.

**KEY**



Test Number 1140

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1. A

"S" corporation. This form of business ownership limits personal liability and offers a lower rate of taxation. Profits go directly to stockholders who pay taxes as individuals. This avoids the problem of double taxation on corporate profits. Partnerships offer lower tax rates but do not offer limited liability. Open corporations and close corporations offer limited liability but do not offer lower tax rates.

SOURCE: BL:003

SOURCE: BL LAP 1—Own It Your Way (Types of Business Ownership)

2. D

Table of contents. When trying to locate specific information from a lengthy document or a book, it often saves time to first look at the table of contents. The table of contents is the portion of the text in which the sections are listed with their page numbers for easy access. For example, if Brandon wants to obtain information about industry trends, he can look at the table of contents, find the section that discusses trends, and turn to the designated page of the document to read the desired information. The bibliography contains the citations or sources used to construct the primary document. The appendices are the segments added to the end of the primary document that include supporting information. Some research reports contain an analysis of the document's contents or research. By looking at the table of contents, the reader can determine if the desired information is included in the appendices or analysis sections of the report.

SOURCE: CO:055

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 460, 473]. Upper Saddle River, NJ: Pearson Prentice Hall.

3. A

Following company procedures. Policies are the general rules to be followed by company personnel. For example, a business owner may develop a policy that states the company will reimburse employees for certain business-related expenses. A procedure is the step-by-step process that personnel follow in performing a specific task. In the example, Luke was following certain steps to obtain reimbursement for out-of-pocket expenses that he incurred—obtaining and completing the appropriate form, attaching receipts, and submitting the documentation to his manager. In the example, Luke did not develop the policies, evaluate company feedback, or assess company guidelines.

SOURCE: CO:057

SOURCE: Bizmanualz, Inc. (1999-2016). *What's the difference between policies and procedures?* Retrieved August 11, 2016, from <https://www.bizmanualz.com/write-better-policies/whats-the-difference-between-policies-and-procedures.html>

4. B

Nodding, smiling, and writing down the idea. By nodding, smiling, and writing down Kevin's idea, Kevin's supervisor would indicate that he/she likes what Kevin said. The supervisor could also indicate his/her support of Kevin's idea by asking follow-up questions, maintaining eye contact with Kevin, and enthusiastically telling Kevin that he has provided a great idea. Sarcasm, frowning, crossing arms, and cutting off the speaker are rude and unsupportive actions.

SOURCE: CO:082

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 54-56]. Upper Saddle River, NJ: Pearson Prentice Hall.

5. B

Eliminating distractions. When Ramona focuses all her attention on the teacher's directions instead of on the students whispering around her, she is eliminating distractions. Ideally, you should receive directions in an area free of activity or noise, but that's not always possible. So, whenever you receive directions, focus your attention on what the speaker is saying. This will make it easier for you to communicate and get the directions right. In this situation, Ramona is not acknowledging directions, reaching consensus, or recommending alternatives.

SOURCE: CO:119

SOURCE: QS LAP 24—Simon Says...

## 6. D

Articulation. Articulation is speaking distinctly and clearly and pronouncing words precisely. Proper articulation is important in order to communicate exactly what you are trying to say to others. To have a good speaking voice, you should use proper articulation and avoid mumbling, slurring, or mispronouncing words. Grammar is the rules of language. Vocabulary is a list or collection of words. Documentation is the use of printed materials to substantiate facts.

SOURCE: CO:147

SOURCE: Stapleton, S. (2012, November 19). *Why being articulate is an essential business skill*.

Retrieved August 11, 2016, from

<https://www.simonstapleton.com/wordpress/2012/11/19/why-being-articulate-is-an-essential-business-skill/>

## 7. C

Facial expressions. Nonverbal cues are communication that involves the use of gestures or facial expressions, rather than the use of words. Facial expressions usually are the most important aspect of nonverbal cues or body language. For example, when people feel emotions such as happiness or anger, those emotions are expressed through smiles, frowns, and eye patterns. It is easy to see that someone is happy if s/he is smiling. Leg movements are a type of body language; however, they are not as effective a way to interpret nonverbal cues. Clothing style and office decor are nonverbal cues also, but they are not as easy to interpret as facial expressions.

SOURCE: CO:059

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 54-56]. Upper Saddle River, NJ: Pearson Prentice Hall.

## 8. D

Thank you for your interest in XWQ products. Please let me know if you have any additional questions. The purpose of an inquiry is to obtain information. Because businesses receive inquiries from customers, vendors, and business associates on a regular basis, employees must be prepared to respond in an accurate, prompt, and courteous manner. When closing an email message, it is courteous to thank customers for asking about the business and its products. And, by encouraging the customer to ask additional questions, the employee is indicating his/her interest in the customer. There is not enough information in the example to determine if the customer placed an order, had a problem with an invoice, or requested product color information. The sentence, "Reply by email with the color that you want," could be interpreted as rude and unprofessional.

SOURCE: CO:060

SOURCE: Oyedotun, A. (2012, June 23). *How to answer emails professionally (with examples)*.

Retrieved on August 11, 2016, from <http://www.business2community.com/strategy/how-to-answer-emails-professionally-with-examples-0197518#8JspCUwpMYqskB59.97>

## 9. D

Agree on ground rules. Once you know your group's purpose, you can (as a group) lay some simple ground rules for appropriate behavior during the discussion. Finding out what people know about the subject and contributing in a useful way occur later in the process. Volunteering a new idea is a discussion tool for contributing in an open-minded way.

SOURCE: CO:053

SOURCE: QS LAP 29—Put In Your Two Cents

## 10. B

Use abbreviations and symbols. Developing a system of and writing down abbreviations and symbols (i.e., shorthand) is much quicker than writing out long phrases and complete sentences. For example, to remember a very important point, Allison might place a star or asterisk by a key word, short phrase, or abbreviation. After the seminar, Allison can refer to her shorthand notes and write more comprehensive notes for future use. Writing on note cards, focusing on subtopics, and asking the speaker to provide handouts will not help Allison take accurate notes in real time.

SOURCE: CO:085

SOURCE: Pearson Education. (2000-2014). *Taking notes*. Retrieved August 11, 2016, from <http://www.factmonster.com/homework/studyskills2.html>

11. A

Flowchart. Some graphics that are used in business reports are textual (text-oriented) because their content is presented in the form of words and numbers. An example of a textual graphic is a flowchart that presents the sequence of activities in a process. A common flowchart is an organizational chart that depicts the hierarchy of positions and departments within an organization. Pictographs, maps, and pie charts are considered visual graphics rather than textual graphics. Although they may contain some words and numbers, they also contain visuals such as bars, columns, and drawings.

SOURCE: CO:087

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [pp. 378-379]. Upper Saddle River, NJ: Pearson Prentice Hall.

12. D

Open with a positive statement. An effective way to relay bad news in written form is to present good news, bad news, and then good news. This process would ease the blow of credit rejection and help to create goodwill. No apology is necessary since the business is following routine procedure and is not responsible for the customer's credit rating. The bad news is presented after a positive opening statement. The credit application is the subject of the letter and must be mentioned.

SOURCE: CO:016

SOURCE: Writingcommons.org. (2016, April 12). *Delivering a negative news message*. Retrieved August 11, 2016, from <http://writingcommons.org/open-text/genres/professional-business-and-technical-writing/business-writing-in-action/negative-news-crisis-communication/826-delivering-a-negative-news-message>

13. D

Refer to the appropriate publisher's style manual. To provide consistency throughout written documents, certain businesses or industries often follow a specific writing style, such as Associated Press (AP) or Chicago Manual. Each style varies and often uses different styles and standards. For example, one style may italicize book titles and another style may underscore book titles. Most style publishers post style information on their websites, as well as in physical manuals or reference books. The best way to verify a specific style or format is to consult the publisher's manual or website. Coworkers, dictionaries, and readers are not the most reliable sources for publishing styles and standards.

SOURCE: CO:089

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. A-21]. Upper Saddle River, NJ: Pearson Prentice Hall.

14. B

Come right to the point. The opening paragraph of a business letter should explain the reason for writing and come right to the point. Effective business letters do not waste the reader's time by providing a lot of unnecessary information, but they immediately come to the point and capture the reader's attention. The letter does not need to be formal, but it should contain specific details and have personal appeal for the reader.

SOURCE: CO:133

SOURCE: Xerox.com. (2016). *Writing an effective business letter*. Retrieved August 11, 2016, from <http://www.office.xerox.com/small-business/tips/business-letter/enus.html>

15. D

Request appointments. Salespeople write letters of request or inquiry for a variety of reasons. One reason is to schedule appointments with customers who are in a different city. When planning a business trip, salespeople often write letters to set up appointments with customers in order to make sure that the customers will be available. An advantage of writing letters is that the customers usually acknowledge the appointment with another letter. Then, both parties have a hard copy to remind them of the date and time of the appointment. Letters of inquiry ask for something rather than explain requirements, transmit information, or develop goodwill.

SOURCE: CO:040

SOURCE: Sample-resignation-letters.com. (2016). *Writing an appointment request letter to client*. Retrieved August 11, 2016, from <http://www.sample-resignation-letters.com/writing-an-appointment-request-letter-to-client-with-sample.html>

16. C

Face-to-face meeting. When a supervisor must address a sensitive, personal, or confidential issue (e.g., salary) with an employee, it is best to discuss the issue in a private, face-to-face meeting. Company newsletters, telephone conference calls, and staff memos are appropriate ways to communicate and share pertinent information with several people at one time.

SOURCE: CO:092

SOURCE: Forbis, A. (n.d.). *A few simple rules for dealing with difficult people at work*. Retrieved August 11, 2016, from <http://www.training.oa.mo.gov/solutionsarchive/Solutions4fall03.pdf>

17. C

To develop ad campaigns for clients. Account executives often participate in meetings with clients and other advertising agency staff to develop ad campaigns for the clients. The purpose of the meeting is to identify the clients' advertising needs, discuss ways of satisfying those needs, and design a successful campaign. In many cases, there are problems to solve because the client may have a limited advertising budget or specific requirements for the campaign. Account executives usually do not schedule production facilities. Media buyers are responsible for placing ads. Copywriters write copy for promotional brochures. These activities often take place after the meeting phase in order to implement the ad campaign.

SOURCE: CO:067

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 46]. Upper Saddle River, NJ: Pearson Prentice Hall.

18. A

Handling problems. Problems and complaints should not be avoided but looked at as opportunities to demonstrate a customer-service mindset. Most customers will tell others about problems they have with the business, but they will also tell how quickly and satisfactorily their problems or complaints were resolved. These customers will likely return to the business, in spite of previous problems, because they know employees will resolve whatever problems arise. Employees do not need to demonstrate a customer-service mindset when placing orders, contacting suppliers, and preparing schedules because customers are not involved in these situations.

SOURCE: CR:004

SOURCE: CR LAP 4—Set Your Mind to It (Customer-Service Mindset)

19. D

To provide service. Employees need to be able to communicate effectively with customers in order to provide them with the service they require. If customers have questions or concerns about the business, employees should be able to provide the answers or the appropriate information. For example, employees should be able to answer a customer's questions about the business's credit policies or handle a complaint about a product. Effective communication helps to provide service and to create a good impression of the business. Employees do not communicate information about the business to customers in order to promote teamwork, display integrity, or build morale.

SOURCE: CR:005

SOURCE: Richards, L. (2016). *Effective communication in customer service*. Retrieved August 12, 2016, from <http://smallbusiness.chron.com/effective-communication-customer-service-4806.html>

20. B

Promotional. Businesses develop promotional policies to govern such activities as contests, coupons, prizes, and special events intended to attract customers and to increase sales. Product policies involve the kinds of products that businesses decide to offer for sale. Employee policies explain how employees are to act and how they are to deal with customers. Service policies involve special features, such as repairs and delivery, that businesses offer to encourage customers to choose the business rather than another.

SOURCE: CR:007

SOURCE: Businessdictionary.com. (2016). *Promotional policy*. Retrieved August 12, 2016, from <http://www.businessdictionary.com/definition/promotional-policy.html>

21. D

Disagreeable. These customers are unpleasant and hard to help because they are argumentative, complaining, irritable, moody, insulting, impatient, and/or have a leave-me-alone attitude. If the domineering/superior customers are properly handled, they will usually convince or sell themselves. Although suspicious customers are hard to help and difficult to change, they can become your most loyal customers. The slow/methodical customer is easy to handle but requires a lot of time before making a buying decision.

SOURCE: CR:009

SOURCE: CR LAP 9—Making Mad Glad (Handling Difficult Customers)

22. A

Listen to the customers to understand their concerns. The first thing an employee should do is to listen to the customer to try to determine the reason for the complaint. If employees fully understand their customers' complaints, they will be better able to solve the problem. Employees should express empathy, but they should not take customers' complaints as personal attacks against them. It is not always possible to give customers whatever they want to make them happy. In some situations, the business and the customer may need to compromise. Stating the business's policies before listening to the customers' complaints may frustrate the customers and make them angry.

SOURCE: CR:010

SOURCE: CR LAP 10—Righting Wrongs (Handling Customer Complaints)

23. A

Henderson Photography...uniquely capturing your special moments is our priority. The brand promise is a company's agreement (spoken or unspoken) with customers that it will consistently meet their expectations and deliver on its brand characteristics and values. Henderson Photography tells you exactly what you can expect every time you purchase its services—unique photos to capture special moments. Fred's Furniture is offering sale prices for a limited time. The business offering credit terms to qualified customers has also placed time restrictions on its offer and has limited the offer to some rather than all customers. Rather than a brand promise, the businesses are using promotion. Cup O' Joe's is communicating the convenience of having four locations.

SOURCE: CR:001

SOURCE: Hinge. (2016, January 4). *Elements of a successful brand 4: Brand promise*. Retrieved August 12, 2016, from [http://hingemarketing.com/library/article/elements\\_of\\_a\\_successful\\_brand\\_4\\_brand\\_promise/?pivot/archive/2007-06/index.html](http://hingemarketing.com/library/article/elements_of_a_successful_brand_4_brand_promise/?pivot/archive/2007-06/index.html)

24. C

Assembly line worker. A manufacturing plant, a warehouse, and production equipment are all capital resources. These are assets used to produce a good or service. An assembly line worker is not a capital resource. Instead, s/he is a human resource—a person who works to produce a good.

SOURCE: EC:003

SOURCE: EC LAP 14—Be Resourceful (Economic Resources)

25. C

Making economic decisions. Economics is the process of deciding how to obtain the greatest satisfaction with limited incomes, land, property, and natural resources. Foreign trade, production, and financing the national debt are activities that require ongoing economic evaluation and decision making.

SOURCE: EC:001

SOURCE: EC LAP 6—Are You Satisfied? (Economics and Economic Activities)

26. D

Inelastic. Inelastic demand exists if the demand for a good or service is constant, even if the product's price changes. Some products are considered necessities that consumers must purchase regardless of their cost. For most consumers, gasoline is a necessity because they need to drive their cars. Elastic demand changes when prices change. Discretionary and inessential are not terms commonly used to describe demand.

SOURCE: EC:005

SOURCE: EC LAP 11—It's the Law (Supply and Demand)

27. B

Buy less of the product. Likewise, if customers feel that the price is relatively low, they will buy more. Customers affect prices of products through the use of their economic votes—by deciding to buy or not to buy. Most retail prices are not negotiable or of interest to the Better Business Bureau, which tries to protect consumers from fraud. Many customers will complain about prices, but few would take the time to make a formal, written complaint.

SOURCE: EC:006

SOURCE: EC LAP 12—When More Is Less (Functions of Prices)

28. A

Purchasing. Molly works in purchasing, the part of operations that ensures the business will have the goods and services needed to keep production going and business running smoothly. Financial analysis refers to obtaining necessary funds and keeping accurate and complete financial records. Marketing involves everything related to fulfilling customers' product needs. Human resources management involves all the tasks and issues related to keeping the business staffed.

SOURCE: EC:071

SOURCE: EC LAP 19—Strictly Business (Business Activities)

29. A

Receive higher salaries. In a private enterprise system, an unequal distribution of income exists because workers with high levels of education, training, skills, and efficiency generally receive higher salaries than less qualified workers. Some people own a great deal of property while others own little or none because they do not have the money to buy it. Skilled workers may also pay higher taxes, belong to a union, or work longer hours, but those factors do not affect the distribution of property and income.

SOURCE: EC:009

SOURCE: EC LAP 15—People Power (The Private Enterprise System)

30. B

Increasing sales and decreasing expenses. Increasing sales and decreasing expenses are two activities likely to increase a firm's profit. Supplies are materials needed to produce a product—not an activity for increasing profit. Production is the process of producing the product. Increasing production may help to increase profit, but only if sales of the product increase.

SOURCE: EC:010

SOURCE: EC LAP 2—Risk Rewarded (Factors Affecting Profit)

31. D

Development of new products. Competition encourages businesses to develop new products in order to meet consumers' needs. Businesses feel that the company which best satisfies consumers will be the most successful company. Competition helps to control prices because businesses must keep prices in line with production costs in order to be competitive. Businesses must also maintain or improve product quality to be competitive. A monopoly exists when a market is controlled by one supplier, and there are no substitute goods or services readily available. No competition exists in a true monopoly.

SOURCE: EC:012

SOURCE: EC LAP 8—Ready, Set, Compete! (Competition)

32. B

Social awareness. Social awareness, self-awareness, self-management, and relationship management are the four primary areas of emotional intelligence. The aspect of emotional intelligence in which you know and understand the emotions of others is called social awareness. Being socially aware involves the ability to "step into another person's shoes" (expressing empathy) and being willing to help or serve others. It also involves the ability to see the bigger picture, which is organizational awareness. Self-awareness refers to knowing your own emotions. Self-management is the ability to manage your own emotions. Relationship management is the ability to manage the emotions of others.

SOURCE: EI:001

SOURCE: EI LAP 6—EQ and You (Emotional Intelligence)

33. D

We don't want to brag. It's sometimes difficult to be honest about strengths. We don't want to seem as if we're bragging or stuck up. However, recognizing our talents, abilities, and the things we do well is a healthy and acceptable thing to do. Everyone has strengths. Weaknesses are not more significant than strengths.

SOURCE: EI:002

SOURCE: EI LAP 17—Assess for Success (Assessing Personal Strengths and Weaknesses)

34. C

Interdependent. The relationship between your traits and your personality can be described as interdependent. All of your traits interact to give you your own unique personality. Each trait influences, either directly or indirectly, your other traits. Therefore, they are interdependent—dependent upon one another.

SOURCE: EI:018

SOURCE: EI LAP 9—You've Got Personality (Personality Traits in Business)

35. C

By asking questions. By asking appropriate questions, you show that you are doing more than just making comments and listening. Your questions tell people that you want more information about the topic and that you are really thinking about the information being given. Making jokes or answering with clichés, such as "really," indicates you are not listening well or taking the speaker seriously.

SOURCE: EI:020

SOURCE: Bovée, C.L., & Thill, J. V. (2008). Business communication today (9th ed.) [pp. 53-54]. Upper Saddle River, NJ: Pearson Prentice Hall.

36. C

Essential. Initiative is extremely important to workers in all types of occupations. Many employees are required to carry out their duties and responsibilities independently with little direct supervision. This means that initiative cannot be an elective or optional choice for employees but a necessity to success. It is, therefore, very relevant.

SOURCE: EI:024

SOURCE: EI LAP 2—Hustle! (Taking Initiative at Work)

37. B

Show that they can be trusted. Honesty and integrity are personality traits that others respect. An honest worker usually gains the respect and trust of coworkers and of customers. Honest behavior does not guarantee higher wages, promotions, or freedom from problems.

SOURCE: EI:022

SOURCE: EI LAP 138—Sincerely Yours (Demonstrating Honesty and Integrity)

38. B

Complete the tasks they start. Ethical employees are responsible workers who adhere to a standard of appropriate employee behavior. They can be counted on to complete the tasks they start. They do not do whatever it takes to get ahead, or copy the actions of celebrities if those actions are unethical. They do not discuss personal issues with coworkers on company time.

SOURCE: EI:004

SOURCE: EI LAP 4—Work Right (Demonstrating Ethical Work Habits)

39. C

Self-esteem. To take responsibility for your decisions and actions, it's important to build your self-confidence and self-esteem. Self-esteem is respect you have for yourself. When you respect yourself, you want to take responsibility for your life. Good grades, a strong work portfolio, and physical fitness are wonderful things, but you can still take responsibility without having them.

SOURCE: EI:075

SOURCE: EI LAP 75—It's Up to You (Taking Responsibility for Decisions and Actions)

40. B

Suggest that they meet for lunch at 1:15 p.m. at a restaurant located between the airport and her office. Managing your commitments in a timely manner means that you allow yourself enough time to complete important tasks. An important aspect of allowing yourself enough time to complete tasks is making sure that you "pad" your time in case unexpected situations occur that require immediate attention. In Jana's case, she has several important commitments in one day. It is important for Jana to meet with Susan because she could provide the business with needed financial support. The best way for Jana to handle the situation is to suggest they meet for lunch between the airport and Jana's office at 1:15. This way, if Jana's meeting with her boss goes a few minutes longer than expected, she still has time to arrive for her meeting with Susan on time. Susan will have a rental car, so transportation is not an issue for her. It may not be convenient for Susan to meet with Jana the following week. Because Susan arrives at 11:30 a.m. and has a 45-minute drive from the airport, she could not meet at Jana's office at noon. A late meeting at the airport will not allow Jana enough time to get back to the office to lead her videoconference at 4:30 p.m.

SOURCE: EI:077

SOURCE: Huff, L. (2015, January 19). *Time management Monday: Padding your schedule*. Retrieved August 12, 2016, from <http://quovadisblog.com/2015/01/time-management-monday-padding-your-schedule/>

41. B

By helping you to feel understood. Sharing the good and bad of life with others helps you to understand them and to feel understood yourself. Feeling understood supports your positive attitude, while feeling misunderstood leads to a negative attitude. Others will not always support your ideas or agree with your opinions even if you can justify them. Learning about others' achievements may tend to make you feel negative if you allow yourself to be overly impressed by them.

SOURCE: EI:019

SOURCE: EI LAP 3—Opt for Optimism (Positive Attitude)

42. D

No, the length of time it takes depends on the kind of change. Don't expect your adjustment to change to take place overnight. The length of time it takes to adjust will depend upon the kind of change that has occurred. Practicing adjusting may make it easier but not faster. Different people require varying amounts of time to adjust to change.

SOURCE: EI:026

SOURCE: DuBrin, A. (2010). *Leadership: Research findings, practice, and skills* (6th ed.) [pp. 46, 216]. Mason, OH: South-Western Cengage Learning.

43. B

Personal information. Many businesses gather personal information about their customers that they store in a database. This might include information about a customer's credit rating, financial status, education, etc. Such information should be available only to employees who need to know it in order to do their jobs. Businesses should limit the number of employees who have access to customers' personal information in order to protect the privacy of their customers and prevent unauthorized persons from obtaining and using this information. A customer's telephone number, purchasing history, and identification code are types of routine business information that usually are not considered to be private.

SOURCE: EI:029

SOURCE: Bovée, C.L., & Thill, J.V. (2008). *Business communication today* (9th ed.) [p. 172]. Upper Saddle River, NJ: Pearson Prentice Hall.

44. A

Respect for others. Genuine respect for others and their individual differences is central to the concept of empathy—the ability to put yourself in another person's place. You do not need a college degree to feel empathy. Friendship enhances empathy but is not necessary to it. The area or situation may not be work related, so a similar occupation is not necessary.

SOURCE: EI:030

SOURCE: EI LAP 12—Have a Heart (Showing Empathy for Others)

45. C

Authority. Conflicts occur for many reasons. Power struggles can arise when people want to control, or be in charge of, the same situation. In the example, Ben and Tasha want the same job, so the reason for their disagreement is authority. Disagreements about what constitutes appropriate behavior are conflicts due to unclear boundaries. When people don't know what they're supposed to do, or what someone else expects them to do, the conflict is due to unclear expectations. Exclusion is a reason for a conflict that stems from a feeling of being left out of an activity.

SOURCE: EI:015

SOURCE: EI LAP 7—Stop the Madness (Conflict Resolution in Business)

46. C

Responsibility. Fulfilling one's obligations in a dependable, reliable manner is known as responsibility, and it is an important leadership characteristic. When a leader is responsible, s/he takes ownership of problems, makes sure they are fixed, and takes steps to prevent them from happening again. Flexibility, also called adaptability, is the ability to adapt to changes as they occur. Social awareness is the ability to know and understand others' emotions; it is part of emotional intelligence.

SOURCE: EI:009

SOURCE: EI LAP 16—Lead the Way (Concept of Leadership)

47. B

Aspirations. When you ask yourself, "What would I attempt to do if I knew I could not fail?", you are determining your aspirations. Your aspirations are the biggest, most lofty dreams you can imagine. The answer to the question does not determine necessary resources, a reason for existing, or values.

SOURCE: EI:063

SOURCE: QS LAP 11—Picture This (Determining Vision)

48. B

Flexible. Flexibility is the ability to adapt to changes as they occur. When employees are demonstrating adaptability, they are able to be flexible and adjust to changing conditions. When employees demonstrate adaptability, they are not necessarily being aggressive, honest, or creative.

SOURCE: EI:006

SOURCE: EI LAP 23—Go With the Flow (Demonstrating Adaptability)

49. C

It serves as a guide for decision making. When a shared vision exists, all members of the organization understand and support the organization's purpose. Successful organizations set goals and make decisions to fulfill the organization's purpose, which is based on the vision. A shared vision does not ensure that goals are achievable. Groupthink is a form of extreme cohesiveness that occurs when individuality and independent thinking within the group are discouraged. Ethnocentrism is the belief that your own culture is naturally better than other cultures. Unattainable goals, ethnocentrism, and groupthink tend to create circumstances that hinder an organization's ability to achieve its purpose.

SOURCE: EI:060

SOURCE: EI LAP 60—Vision Quest (Enlisting Others in Vision)

50. C

Productivity. Workers who feel good about the workplace are more motivated and more productive. This means that both the workers and the business benefit, since greater productivity usually means more income for the workers and more profits for the business. Assets are the property owned by the company, such as real estate, equipment, and inventory. Workforce is the total number of workers employed by a company. Benefits are the extras provided by businesses, such as vacation time, sick leave, retirement, medical insurance, and stock options.

SOURCE: EI:036

SOURCE: EI LAP 36—Everyone's Worthy (Treating Others With Dignity and Respect)

51. A

Pay interest on purchases. Credit is the arrangement by which individuals or businesses can purchase now and pay later. Many types of businesses (e.g., banks, large retailers) offer credit cards to consumers and businesses to purchase goods and services. Usually, the credit card issuer sends the credit card holder a monthly statement. The information on the statement includes a list of the purchases made during the billing cycle and the amount owed for the purchases, which includes the interest charges. If the credit card holder pays the minimum amount due, the amount of interest owed accumulates on the balance due until the debt is paid off. Because interest rates can be high, this can be a disadvantage to the credit card holder. It is important to establish a good credit rating in order to borrow money in the future from other lenders. Therefore, establishing a credit rating is not necessarily a disadvantage. Credit card holders do not earn quarterly dividends on their credit cards. Temporary deferment of cash payment is an advantage to credit card holders.

SOURCE: FI:058

SOURCE: Audette, J. (2016). *What is a credit card?* Retrieved August 12, 2016, from <https://www.nerdwallet.com/blog/nerdscholar/credit-card/>

52. D

Medium of exchange. A medium of exchange is something of value that can be used to obtain goods and services. Money is a common form of exchange. Individuals, businesses, and governments use money to purchase the products (e.g., milk) they need. When money is saved rather than spent, it is functioning as a means of accumulating wealth. Negotiating is the process of resolving a disagreement. Bartering involves trading one good or service for another good or service.

SOURCE: FI:060

SOURCE: Study.com. (2016). *Money as a medium of exchange.* Retrieved August 12, 2016, from <http://study.com/academy/lesson/money-as-a-medium-of-exchange-definition-function-examples.html>

53. B

Scarcity. Scarcity of resources has little to do with the time value of money. It's relevant to a discussion of pricing or economic resources. The time value of money is a measure of its opportunity cost, or what the spender is foregoing by spending now instead of saving. Interest rates are a measure of that opportunity cost. Future value is the value of money at some future point.

SOURCE: FI:062

SOURCE: Ryan, J.S. (2008). *Personal finance literacy* (p. 68). Mason, OH: South-Western Cengage Learning.

54. A

The borrower defaults on the loan. When borrowers agree to a loan, they are making a legal contractual agreement to pay back the loan in a certain manner within a specific period of time. When the borrower does not have the collateral or credit history to obtain the loan, the lender often requests that another person cosign for the loan. A cosigner is responsible for paying the loan if the borrower defaults on it, which means the borrower does not make the scheduled payments to the lender. Changes in interest rates do not affect a cosigner's legal responsibility for paying the balance owed on a loan.

SOURCE: FI:063

SOURCE: Kapoor, J.R., Dlabay, L.R., & Hughes, R.J. (2009). *Personal finance* (9th ed.) [pp. 181-182]. New York: McGraw-Hill Irwin.

55. A

Impulsive spending. Choosing to buy an item at the check-out counter is a classic example of impulsive spending. Poor use of credit may or may not be involved. Choosing *not* to buy the item would illustrate financial control and would be a good example of smart shopping.

SOURCE: FI:065

SOURCE: QS LAP 31—Set Yourself Up (Setting Financial Goals)

56. D

Tax liability. A tax liability is tax that a person or business must pay the government. Certain events, like annual income, an inheritance, and money from the sale of an asset, are taxable. Since citizens must pay money on these sources of income, it is not untaxable income or a tax loophole. Sales tax is a type of tax that is paid on the sale of goods and services.

SOURCE: FI:067

SOURCE: *Tax liability*. (2014). Retrieved August 12, 2016, from <http://www.investopedia.com/terms/t/taxliability.asp>

57. D

Restrictive. Banks require checks to be endorsed before processing. Endorsement involves signing the back of the check, which allows the funds to be transferred from the check source to the payee. There are different types of endorsements. A restrictive endorsement limits how the check can be processed. In the example, the check can only be deposited to the endorser's (Maria) specified account. The check cannot be cashed or placed into another account. A general endorsement allows the endorser to cash the check or deposit it into the account of his/her choice—there are no restrictions placed on the funds transfer. Open and congruent endorsements are fictitious terms.

SOURCE: FI:560

SOURCE: About.com. (2016, June 16). *How to endorse checks*. Retrieved August 12, 2016, from [http://banking.about.com/od/checkingaccounts/a/endorse\\_checks.htm](http://banking.about.com/od/checkingaccounts/a/endorse_checks.htm)

58. C

Checks that have not cleared. Reconciling bank statements involves comparing the entries in a checkbook with the entries listed on the bank statement. In many cases, the balance will be different because checks have been written that have not cleared the bank. Therefore, these amounts will not appear on the bank statement. To verify the actual amount in the account, it is necessary to subtract the checks that have not cleared from the balance listed on the bank statement. When reconciling bank statements, it is not necessary to consider the number of transactions, services not available online, or the types of payroll deposits.

SOURCE: FI:070

SOURCE: Miranda, K. (2016). *How do I reconcile a bank statement?* Retrieved August 12, 2016, from <http://smallbusiness.chron.com/reconcile-bank-statement-1641.html>

59. C

Late fee. Credit card issuers often charge late fees for payments that do not arrive on time. Some credit card issuers charge application fees, which involves billing a customer for applying for credit. Processing fees are charges to complete certain activities. Over-limit fees are charges applied for credit transactions that go over or exceed the credit card holder's credit limit.

SOURCE: FI:071

SOURCE: Irby, L. (2016, July 24). *Four consequences of a late credit card payment*. Retrieved August 12, 2016, from <http://credit.about.com/od/usingcreditcards/a/latecardpayment.htm>

60. A

Call the car dealership. It is more important for her to contact the credit agency and have them contact the dealership. She should file a police report immediately, because doing so will allow her to take legal action against the identity thief. Checking her credit report to make sure that it has not been affected is also something she should immediately do.

SOURCE: FI:073

SOURCE: FTC.gov. (2016). *Identity theft*. Retrieved August 12, 2016, from <https://www.consumer.ftc.gov/articles/0005-identity-theft>

61. C

Purchase real estate. Mortgages are loans specifically designed for the purchase of real estate—land, residences, and other types of buildings. Individuals may want to purchase a home to live in or an apartment building to lease to others. Apartment buildings allow individuals to generate income by renting apartment space to others. To transfer risk, individuals purchase various types of insurance from insurance companies. To invest in the stock market, an individual is likely to consult with a stockbroker or a financial planner. Deposit-taking institutions (e.g., retail banks) provide savings accounts on which individuals can earn interest.

SOURCE: FI:075

SOURCE: Arthur, L., & Bailey, H. (n.d.). *What is a mortgage company?* Retrieved August 12, 2016, from <http://www.wisegeek.com/what-is-a-mortgage-company.htm>

62. D

They may take a long time to provide a return. Bonds are considered safe, reliable investments. However, the trade-off is that the investor must be willing to leave her/his money with the bond issuer for a long time before receiving the return. The rate of this return will not necessarily be lower than the rate of inflation. There is no penalty for early withdrawal from a bond—you just miss out on the return you would have gotten if you had left your money in it. Bonds are issued by corporations or governments, but this is not necessarily a disadvantage.

SOURCE: FI:077

SOURCE: FI LAP 77—Invest for Success (Types of Investments)

63. D

Premiums. Insurance premiums are the fees that the insured pays to the insurer to obtain insurance coverage. A commission is a percentage of the total sale amount paid to the individual or business that makes the sale. A fine is a monetary sum paid to a government agency when an individual or business violates a law. A stipend is a fixed sum of money paid as a salary or allowance.

SOURCE: FI:081

SOURCE: Investopedia. (2015). *Premium*. Retrieved August 12, 2016, from <http://www.investopedia.com/terms/p/premium.asp>

64. D

Assign the new employee a mentor who can answer any questions s/he may have. One simple way to make an employee feel comfortable is to assign a mentor. The mentor doesn't need to be the employee's direct supervisor—it just needs to be someone who can show the new employee the ropes. It will help the new employee to have one ready-made friend who can show her/him around. Lucia should provide some sort of orientation for the new employee before s/he starts working. There are many important things the employee will need to know about the company's policies and his/her benefits. Although it is important to make sure the employee has information about the projects s/he is working on, Lucia won't want to overwhelm the new employee with too much information on the first day. It's also important not to give the employee busy work that doesn't fit into his/her job description. After all, that's not why the employee was hired, and this won't help the new employee become more comfortable at work.

SOURCE: HR:360

SOURCE: Moss, S. (2016, January 26). *How to assign employee mentors during new-hire onboarding*. Retrieved August 12, 2016, from <http://blog.viperks.net/how-to-assign-employee-mentors-during-new-hire-onboarding>

65. A

Sells products at fair and reasonable prices. The marketing concept is a philosophy of conducting business based on the belief that all business activities should be aimed toward satisfying consumer wants and needs while achieving company goals. When a business sets reasonable prices, customers want to buy the products, and the company meets its goal of making a profit. Achieving maximum production and demonstrating social responsibility do not guarantee that the business will meet its goals. Focusing on the business's wants/needs is contrary to the marketing concept.

SOURCE: MK:001

SOURCE: MK LAP 4—Have It Your Way! (Nature of Marketing)

66. A

Business plan elements. To retrieve the most applicable results from an Internet search engine, a computer user should enter terms into the query field that are most likely to bring up the desired information. "Business plan elements" are words that are most likely to retrieve the information Todd needs to include in his business plan. If Todd is not satisfied with the results that his initial search returns, he could use search terms such as "business plan components" or "business plan parts." The remaining search terms are too general and would likely not provide the information Todd desires on the first few pages of the results, which would reduce Todd's efficiency in retrieving the desired information.

SOURCE: NF:078

SOURCE: Google.com. (n.d.). *How to search on Google*. Retrieved August 12, 2016, from <https://support.google.com/websearch/answer/134479?hl=en>

67. B

Reviewing data on trends to develop new products. Simply obtaining information is not useful unless the business applies the information to accomplish a task. Reviewing data on trends for the purpose of developing new products is an example of applying information. The data give the business an idea of what type of new product customers might want and need. Then, the business develops a product based on the information. Conducting research, developing questionnaires, and examining promotional activities are methods of obtaining information. However, they do not involve applying the information to accomplish a task.

SOURCE: NF:080

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

68. C

A business is planning to sell out to another company. When businesses merge or sell out to other companies, they need to provide records to prove their value to the other companies. Although businesses might retain documentation of employee anniversaries, press releases, and training plans, these records have less significance than records needed to provide proof of a business's income, expenses, and capital investments.

SOURCE: NF:081

SOURCE: Omar, S. (2004-2011). *What every small business owner should know about record retention*. Retrieved August 12, 2016, from <http://www.isnare.com/?aid=298230&ca=Business>

69. A

Increased compliance laws and regulations. Now, more than ever, the government is cracking down on corporate dishonesty. Companies must adhere to an increased number of compliance laws and regulations, and an appropriate information management program is a big part of that. Other trends in information management include increased competition, an increased number of electronic documents, and a decreased number of workers in the office.

SOURCE: NF:110

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

70. C

An operating system. An operating system is the program that manages and supports the hardware and software on a computer. It lets you "communicate" with your computer. You do not need a wireless mouse or a mobile device to communicate with your computer. Windows is just one operating system; you can also use others.

SOURCE: NF:085

SOURCE: Goodwill Community Foundation. (1998-2016). *What is an operating system?* Retrieved August 12, 2016, from <http://www.gcflearnfree.org/computerbasics/understanding-operating-systems/1/>

71. B

Flag the message for follow-up. The follow-up function reminds the message recipient to follow up with the message at a later time. Some email programs such as Outlook provide color-coded flags so users can "flag" the message, so it stands out from other messages. When the follow-up is complete, the user can place a checkmark in the follow-up/flag field to remind him/her that s/he has completed the follow-up. The forward function allows the message recipient to send the message to another person. Sending the message to her supervisor will not help Claire to remember to follow up with the client—and her supervisor should not do Claire's work for her. Spam is junk mail. Putting the message in her spam folder and placing the client's contact information in the address book will not help Claire remember to send the requested information when it is available.

SOURCE: NF:004

SOURCE: Microsoft. (2016). *Flag an item for follow up*. Retrieved August 12, 2016, from <https://support.office.com/en-us/article/Flag-an-item-for-follow-up-7b0f0c0e-21a6-41f0-96de-2cbda41e7eb1>

72. B

To create text documents. The primary purpose of word-processing software programs is to create text documents, although some have limited graphic capabilities. Businesses use word-processing software programs to write letters, memos, reports, business plans, sales contracts, etc. There are many different word-processing software programs available that enable businesses to create, edit, and store important text documents. Although many word-processing programs allow users to develop tables and include numerical data, these functions are not the primary purpose of word-processing software programs. Spreadsheet software programs are used to organize numerical information. Database software programs are used to maintain various types and tables of data, such as important business records.

SOURCE: NF:007

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 199). Woodland Hills, CA: Glencoe/McGraw-Hill.

73. B

Import. The import function enables the computer user to copy or download graphics from other locations (e.g., other software programs and websites) to slides in a presentation software program. The drawing function enables the computer user to draw illustrations in a desktop publishing program. The style function enables computer users to format documents in a particular way. The caption function enables computer users to add text or a numerical label to identify or explain a graphic within a document.

SOURCE: NF:008

SOURCE: Griffin, I. (2010, September 26). *How to import images into PowerPoint*. Retrieved August 12, 2016, from <http://www.exec-comms.com/blog/2010/09/26/how-to-import-images-into-powerpoint/>

74. A

Spreadsheet. A spreadsheet, sometimes known as a worksheet, is an electronic grid that shows information (usually numerical) in a logical manner—typically a series of rows and columns. Presentation software is typically used to create visual aids supporting an oral presentation. A web ring is a series of linked web pages that share a common theme. A business letter is a formal letter used by a business professional to communicate with other businesses and clients.

SOURCE: NF:010

SOURCE: WikiHow.com. (2016). *How to make a spreadsheet in Excel*. Retrieved August 12, 2016, from <http://www.wikihow.com/Make-a-Spreadsheet-in-Excel>

75. D

Integrated software application packages. Integrated software application packages allow businesses to manage all types of business activities, such as inventory control, finance, tracking, invoicing, etc. For example, businesses can track the placement of an order, when the order is shipped and received, when an invoice is generated, and when payment is received. These types of computer programs are not known as electronic communications programs, interactive information display packages, or wireless connectivity programs.

SOURCE: NF:088

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2012). *Marketing essentials* (p. 219). Columbus, OH: Glencoe/McGraw-Hill.

76. D

Test the page to identify broken links, missing images, or unclear instructions. Broken links and unclear instructions make it difficult, if not impossible, for readers to obtain information or purchase products from a website. Therefore, it is important to make sure that all elements of the web page work properly. Generally, web pages are not patented. A patent doesn't necessarily protect web page content from plagiarism. Although it is a good idea to consult an attorney regarding legal content posted on web pages, not all web pages include legal content. Therefore, it is not a procedure that should always be performed. Web page content is not subject to international trade requirements.

SOURCE: NF:042

SOURCE: Web Page Mistakes. (2005-2016). *Find broken links*. Retrieved August 12, 2016, from <http://www.webpagemistakes.ca/find-broken-links/>

77. A

All other parts of the business. Operations managers must work closely with managers and employees in all other parts of the business. This is because operations activities affect every other business function, including marketing, finance, and human resources. Depending on the business, operations managers may or may not work with managers in foreign markets. Operations managers do not work with managers at competing businesses.

SOURCE: OP:189

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

78. D

Routinely inspect equipment. Some businesses operate equipment that may present a safety hazard if the equipment is not operating properly. As a result, certain health and safety regulations require these businesses to routinely inspect equipment to make sure it is safe. In some cases, government inspectors routinely visit the business to inspect equipment. If the inspectors find that the equipment is malfunctioning, they have the authority to force the business to stop using the equipment until it has been repaired and inspected again. Health and safety regulations do not require businesses to purchase new machinery, offer exercise programs, or install security cameras.

SOURCE: OP:004

SOURCE: Canadian Centre for Occupational Health and Safety. (2016). *Effective workplace inspections*. Retrieved August 12, 2016, from <http://www.ccohs.ca/oshanswers/prevention/effectiv.html>

79. C

Employers and employees. The Occupational Safety and Health Administration (OSHA) requires both employers and employees to keep the work environment free of safety hazards. Business management may develop safety guidelines for employees to follow. Insurance companies offer businesses protection against losses due to employee injuries. Human resource departments may have some responsibilities for informing employees about safety regulations.

SOURCE: OP:007

SOURCE: Nonprofitrisk.org. (2008). *Workplace safety toolkit*. Retrieved August 12, 2016, from <https://nonprofitrisk.org/tools/workplace-safety/nonprofit/c1/wkplcsafety.htm>

80. B

Strain. Back muscles can be strained by improper lifting of heavy or bulky objects. This kind of injury often takes a while to heal and in some cases never heals completely. Shock is caused by a traumatic occurrence or contact with electric current. A wound is an injury of any kind. A fall occurs when someone trips while walking or falls from an elevated location to the ground.

SOURCE: OP:009

SOURCE: Durham, J. (2015, August 6). *Common accidents at work*. Retrieved August 12, 2016, from <http://www.safeworkers.co.uk/CommonWorkPlaceAccidents.html>

81. C

Law enforcement. Theft and robbery are examples of security emergencies. Many companies develop procedures that advise employees how to handle these types of situations. If a theft or a robbery occurs, an employee generally contacts law enforcement officials (e.g., police). The fire department is contacted about fire-related issues. Health and welfare agencies do not handle security issues.

SOURCE: OP:010

SOURCE: Gannon Associates. (2012, August 29). *Types of workplace emergencies*. Retrieved August 12, 2016, from [http://www.gannonassociates.com/2012/08/29/types\\_of\\_workplace\\_emergencies/](http://www.gannonassociates.com/2012/08/29/types_of_workplace_emergencies/)

82. C

Store information on highly secure computer systems. There are measures businesses can take to prevent security breaches. To keep private information secure, businesses should store it on computer systems that are not easy for unauthorized people to access. Not all employees should have access to personal information; instead it should only be available to the employees who need it. Businesses should only collect the minimum amount of information that is necessary.

SOURCE: OP:152

SOURCE: Schiff, J. (2015, January 20). *Six biggest business security risks and how you can fight back*. Retrieved August 12, 2016, from <http://www.cio.com/article/2872517/data-breach/6-biggest-business-security-risks-and-how-you-can-fight-back.html>

83. B

Project schedule. The most flexible document within a project plan is the project schedule. This is because deadlines within the project may be pushed forward or backward as priorities shift. It's still important to have a tentative schedule in place, however. The risk-management plan, the project scope, and the quality-management plan are not as changeable as the project schedule.

SOURCE: OP:001

SOURCE: OP LAP 7—Chart Your Course (Developing a Project Plan)

84. D

Purchasing. The main function of purchasing is to obtain goods and services for use in the business. Selling is a marketing function which involves determining consumer needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Controlling is the management function that monitors the work effort. Organizing is setting up the way the business's work will be done.

SOURCE: OP:015

SOURCE: OP LAP 2—Buy Right (Purchasing)

85. D

To prevent stockouts. Safety stock or buffer stock are extra items ordered to prevent stockouts. When supplies are out of stock, the employees do not have the tools to perform their jobs. Many businesses have policies to order a certain level of extra items to avoid stockouts. Ordering extra supplies will not ensure product quality or reduce the need to forecast usage. Dan would only order exactly what is needed if he were ordering to meet minimal expectations.

SOURCE: OP:031

SOURCE: finance-lib.com. (2016). *Financial terms: Safety stock*. Retrieved August 12, 2016, from <http://www.finance-lib.com/financial-term-safety-stock.html>

86. D

Production. Production is the creation of goods and services from economic resources. Making more pizzas is an increase in production. Pricing involves determining and adjusting prices to maximize return and meet customers' perceptions of value. Publicity is any nonpersonal presentation of ideas, goods, or services that is not paid for by the company or individual that benefits from it. Distribution involves moving, storing, locating, and/or transferring ownership of goods and services.

SOURCE: OP:017

SOURCE: OP LAP 17—Can You Make It? (Nature of Production)

87. A

Their materials in order. Organized workers are more efficient than disorganized workers because they have their materials in order, they know where to find things, and they plan the use of their time. This prevents delays, reduces frustrations, and decreases the number of mistakes they make. Being organized does not guarantee that they will have better skills, more experience, or well-planned careers.

SOURCE: PD:009

SOURCE: Doucette, C. (2016). *List of important reasons why employees must stay organized*.

Retrieved August 12, 2016, from <http://smallbusiness.chron.com/list-important-reasons-employees-must-stay-organized-15849.html>

88. B

Effective goal. An effective goal is one that takes priority over other activities through wise decisions. A SMART goal is one that is specific, measurable, attainable, results oriented, and time bound.

Performance and learning goals are types of goals you can work toward. Learning goals have to do with mastering a skill, whereas performance goals have to do with how well you do something or simply completing a task.

SOURCE: PD:018

SOURCE: PD LAP 16—Go for the Goal (Goal Setting)

89. B

Windows computer operating system. Paradigm innovation takes place when the entire perception of a product, company, or industry takes place. The Windows computer operating system revolutionized the way people input, transfer, share, and export information through personal and networked computers. Businesses worldwide use the Windows operating system. Energy-saving light bulbs, the latest model of the Honda Civic, and rechargeable batteries are examples of product innovation. Product innovation takes place when a company creates a new product or redesigns an existing product.

SOURCE: PD:126

SOURCE: PD LAP 18—Ideas in Action (Innovation Skills)

90. D

Define the objective. The first step in the decision-making process is identifying what it is you want to do. The decision-making process begins when a person becomes aware of a situation and sees the need to make a decision. Making a choice, analyzing results, and evaluating information are steps in the decision-making process that occur after the objective is defined.

SOURCE: PD:017

SOURCE: PD LAP 10—Weigh Your Options (Decision Making in Business)

91. A

Accepting responsibility for mistakes. Employers expect their employees to have the necessary skills to do the work, but they also expect them to be honest. Being honest means not only that employees will not lie or steal, but that they will accept responsibility for their mistakes and not make excuses or blame others. Businesses respect employees who are honest and admit their mistakes because businesses realize that everyone makes mistakes from time to time. Employees who complete assignments on time are meeting their employer's expectations for dependability. Employees who help coworkers or look for better ways to do the job are exhibiting initiative.

SOURCE: PD:020

SOURCE: Thompson, S. (2016). *The expectations of employers and employees at a new job*. Retrieved August 12, 2016, from <http://work.chron.com/expectations-employers-employees-new-job-9494.html>

92. A

Their personalities. Personality is an individual's distinctive qualities or traits and behavior. Each person has a unique personality that will have an effect on the type of occupation that will be of interest to him/her. For example, people who are outgoing and friendly will be interested in different careers than those that will interest people who prefer to work alone. Individuals should consider their personality when identifying possible occupations, rather than family history, parents' occupations, or friends' opinions.

SOURCE: PD:023

SOURCE: Hansen, R. (2016). *Developing a strategic vision for your career plan*. Retrieved August 12, 2016, from <https://www.livecareer.com/quintessential/career-plan>

93. B

Administrative services. Tony is an executive or administrative assistant, someone who supports the company president, schedules his/her appointments, and answers his/her phone. Executive or administrative assistants are part of administrative services. Employees who work in operations management focus on planning, organizing, coordinating, and controlling the resources needed to produce or provide a business's goods and/or services. Marketing communications involves marketing activities that inform, remind, and/or persuade the targeted audience. This can include people working in advertising, public relations, and sales promotion. Human resource management careers focus on staffing activities, including everything from recruitment to compensation. None of these describe Tony's work in administrative services.

SOURCE: PD:025

SOURCE: PD LAP 15—Go for It! (Careers in Business)

94. D

Show that s/he has been learning about the company. The job applicant can read or ask questions about the company before the job interview so that s/he can ask intelligent questions during the interview. This makes a favorable impression because it indicates that the applicant has a sincere interest in the job and the company. Job applicants should sit upright during an interview, not slouch or lean back in the chair. Applicants make a good impression when they dress a little more formally than they would on the job. For example, a financial planner should not go to a job interview in jeans and a sweatshirt. Letting the interviewer know that the applicant expects to be hired indicates a cocky attitude that is likely to make a poor impression.

SOURCE: PD:028

SOURCE: Huhman, H. (2014, August 29). *Seven things to research before any job interview*. Retrieved August 12, 2016, from <https://www.glassdoor.com/blog/7-research-job-interview/>

95. B

Restate his/her interest in the position. A follow-up letter allows a job applicant the opportunity to thank the interviewer for a job interview. It also allows the job applicant to restate his/her interest in the job and reinforce the ways in which s/he can benefit the company if hired. The applicant describes specific training and experience in a résumé, which may also include the applicant's references. The applicant is usually asked about personal strengths and weaknesses during the interview.

SOURCE: PD:029

SOURCE: Schneider, L. (2016). *Thank you letters*. Retrieved August 12, 2016, from <http://jobsearchtech.about.com/od/resumesandletters/a/thankyou.htm>

96. C

Volunteer positions. Some job applicants, especially recent graduates, do not have a lot of paid job experience. It is acceptable for them to list unpaid or volunteer positions in the work experience section of their résumés. Volunteer positions indicate job experience and levels of responsibility even if the positions were unpaid. Technical training should be listed in the educational background section. Career objectives and references are separate sections of résumés.

SOURCE: PD:031

SOURCE: The OWL at Purdue. (1995-2016). *Resume workshop*. Retrieved August 12, 2016, from <https://owl.english.purdue.edu/owl/resource/719/01/>

97. C

Advances in technology. Advances in technology have eliminated the need for some jobs while creating a need for new jobs. Therefore, some employees need additional education and training to change careers and pursue different occupations because the jobs for which they were trained no longer exist. Workers usually do not need to continue their education and obtain training to pursue different careers because of increases in responsibility, changes in geography, or limits to confidentiality.

SOURCE: PD:033

SOURCE: Referenceforbusiness.com. (2016). *Continuing education*. Retrieved August 12, 2016, from <http://www.referenceforbusiness.com/encyclopedia/Con-Cos/Continuing-Education.html>

98. C

New position is created. The opportunity for promotion often occurs when employees retire or leave the company, or the business creates new positions. Many businesses prefer to promote from within, so the creation of new jobs opens the door for current employees to be considered for a promotion. As businesses grow and prosper, they often create new positions and give current employees the opportunity to apply. An entry-level job is a starting position rather than a promotion. Employees are not considered for a promotion because the occupation is high paying or the career is being revised.

SOURCE: PD:034

SOURCE: Kurtus, R. (2010, February 28). *Basics of career advancement*. Retrieved August 12, 2016, from [http://www.school-for-champions.com/career/basics\\_of\\_career\\_advancement.htm#.V64CVpgrKUk](http://www.school-for-champions.com/career/basics_of_career_advancement.htm#.V64CVpgrKUk)

99. C

The consequences of breaking the rules. The rules of conduct outline a company's policies, procedures, and expectations regarding employees' behavior in the workplace. By explaining the rules and the consequences of not following them, employers are making sure that employees understand what is expected of them and what will happen if they break the rules. Depending on the situation, the consequences of breaking the rules might include a reprimand, suspension without pay, or dismissal. Why, who, and when the rules were developed are not important facts to discuss with new employees.

SOURCE: PD:251

SOURCE: Mayhew, R. (2016). *Orientation of new employees regarding company policies & procedures*. Retrieved August 12, 2016, from <http://smallbusiness.chron.com/orientation-new-employees-regarding-company-policies-procedures-2866.html>

100. D

Size of the business. There are different levels of management in almost all businesses. The number of levels the business needs usually depends on the size of the business. A large, national business would have managers at all levels, while a small, family-owned business might have only one level of management. The number of levels of management does not depend on the age of the employees, the goals of the company, or the location of the facility.

SOURCE: SM:001

SOURCE: SM LAP 3—Manage This! (Concept of Management)