



Competency-Based  
Competitive Events  
\*Written Exam\*

2022 HS ICDC  
Booklet Number \_\_\_\_\_

# Business Administration Core Exam

PBM - Principles of Business Management and Administration Event  
PFN - Principles of Finance Event  
PHT - Principles of Hospitality and Tourism Event  
PMK - Principles of Marketing Event

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

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1. A property dispute falls under \_\_\_\_\_ law.  
A. administrative  
B. criminal  
C. civil  
D. social
  2. Which of the following are examples of things that can be protected by a copyright:  
A. Symbol or design  
B. Invention or process  
C. Literary or musical works  
D. Name or phrase
  3. Which of the following can be described as an artificial being, invisible, intangible, and existing only in contemplation of law:  
A. Stockholder  
B. Limited partnership  
C. Corporation  
D. Joint venture
  4. John bought gifts for each of his family members while he was on a business trip in France, but he did not declare them when he returned to the United States. What violation is John guilty of?  
A. Importing violation  
B. Exporting violation  
C. False declaration  
D. Smuggling
  5. Which of the following are two nonverbal cues that could be used to support and encourage a speaker:  
A. Good posture and positive remarks  
B. Maintaining eye contact and probing  
C. Hand gestures and quick comments  
D. Nodding along and smiling
  6. Maisy was running late to a dentist appointment, but she stayed a few minutes longer to listen to her friend talk about their recent relationship problems. This is an example of using active listening to  
A. increase satisfaction.  
B. gather information.  
C. form an opinion.  
D. connect with others.
  7. Imagine you are making a sales pitch to a group of potential investors. Which of the following is an example of positive body language you may see from the group:  
A. Sitting or standing upright  
B. Fidgeting with hands  
C. Tense facial expressions  
D. Closed-off posture
  8. Lisa was recently hired at a call center for a shipping and receiving company. Which of the following techniques should she follow when answering incoming calls from customers:  
A. Use slang terms to build rapport with customers  
B. Make sure her voice and vocabulary are positive  
C. Use fillers such as "um" or "like" when speaking  
D. Put callers on hold when she is busy with other tasks
  9. To grab your audience's attention, one way you can start your presentation is by  
A. asking a thought-provoking question.  
B. summarizing your main points.  
C. articulating your words properly.  
D. preparing your visual aid.
  10. For a person who is facilitating a group discussion to be successful, they should  
A. prevent talkative contributors from elaborating.  
B. be subjective rather than objective.  
C. presume participants all have similar expectations.  
D. allow participants to gather their thoughts.
  11. Andy is a research scientist and is tracking data over a period of time. He wants to see how the data change over time and is looking to show trends of these data chronologically. Based on this information, what type of graph should Andy use to display the data?  
A. Pareto chart  
B. Bar graph  
C. Pie chart  
D. Line graph

12. When writing a business letter in block format, each new paragraph should be  
A. double spaced and center justified. C. single spaced and indented.  
B. double spaced and indented. D. single spaced and left justified.

13. When writing persuasive messages for a marketing campaign, a business should  
A. relate to the competition. C. encourage groupthink.  
B. study customer preferences. D. avoid analytical tools.

14. Which of the following statements about an executive summary is true:  
A. It should use appropriate language for the target audience.  
B. It should repeat the same statements to drive home key points.  
C. It should make up 50% of the overall report.  
D. It should grab the reader's attention in the body of the report.

15. Which of the following is an example of a lean channel of communication:  
A. Online meeting C. Video conference  
B. Face-to-face meeting D. Voice message

16. Violet was so satisfied with her experience at a business that she recommended it to her family, friends, and colleagues. Violet telling others about her satisfaction with the business demonstrates  
A. word-of-mouth promotion. C. customer loyalty.  
B. patronage. D. customer service.

17. What do businesses typically use to communicate brand promises to customers?  
A. Office memos C. Touchpoints  
B. Good hiring practices D. Marketing plans

18. Which of the following is a characteristic of modern customer-business relationships:  
A. Customers tend to prefer shopping around.  
B. Customers tend to have mixed feelings about a business.  
C. Customers tend to judge a business by its parts.  
D. Customers tend to judge a business as a whole.

19. Opal is talking with a customer who is searching for a specific dishwasher brand. Her department store does not carry this brand, but she knows a competitor does. Opal is struggling to decide whether she should put the customer first or the business first. This dilemma is most closely related to  
A. loyalty. C. consent.  
B. trust. D. big data.

20. Protecting the world's endangered animal species by making it illegal to kill or use them is an example of what resource preservation technique?  
A. Pay a higher price for the resource C. Maintain the capital good  
B. Find another source D. Conserve the resource

21. Which of the following scenarios best demonstrates demand for a product:  
A. Leah just earned \$200, and she wants to treat herself to ice cream.  
B. Nolan's friends all want the latest Xbox system, but he isn't interested.  
C. A coffee shop cannot afford to buy the ingredients for pumpkin spice lattes.  
D. Tisha wants a new laptop, but she only has \$150 in her bank account.

22. Businesses should strive to behave ethically in addition to fulfilling their obligations to the law. This is because when people are free to start a business and pursue success, they also accept a level of  
A. social responsibility. C. stakeholders.  
B. transparency. D. ethical principles.

23. Which of the following industries is most likely to grow as a result of an aging society:  
A. Health care C. Agriculture  
B. Construction D. Manufacturing

24. Which of the following statements best describes a traditional economic system:  
A. Consumer influence is low, and there is little to no competition.  
B. The government controls all means of production and distribution.  
C. Decisions are based on habits, customs, and beliefs.  
D. Prices are controlled by supply and demand.
25. Luisa got sick after eating at Sally's Sandwiches and decided that she would never eat there again. By not following food safety protocols when preparing Luisa's food, Sally's Sandwiches most likely encountered what type of risk?  
A. Financial  
B. Operational  
C. Hazard  
D. Strategic
26. Addie is a wedding photographer who goes from job to job as she is hired. She is paid by her clients, but they aren't considered her employers. As a result, Addie is most likely to be responsible for paying taxes.  
A. self-employment  
B. flat  
C. excise  
D. sales
27. Which of the following is something that can hinder a business's productivity level:  
A. Working within government regulations  
B. Specialization  
C. Division of labor  
D. Too many different products
28. Which of the following is a disadvantage of specialization:  
A. Production rates increase.  
B. Worker training is simplified.  
C. Worker dependency increases.  
D. Quantity of work may grow.
29. An oil spill near the ocean destroyed a large percentage of the sea life for a specific area. As a result, nearby restaurants increased the prices of their seafood dishes due to the scarcity of sea life. The increase in prices of seafood dishes is an example of  
A. hyperinflation.  
B. demand-pull inflation.  
C. cost-push inflation.  
D. deflation.
30. A landlord who owns an apartment building is contributing to  
A. personal consumption expenditures.  
B. gross private domestic investment.  
C. the household sector.  
D. government purchases of goods and services.
31. In the exchange rate quotation USD / EUR = 0.87, EUR is the \_\_\_\_\_ currency.  
A. base  
B. counter  
C. pegged  
D. strong
32. Which of the following is a characteristic of the uncertainty avoidance dimension of Hofstede's dimensions of national culture:  
A. Less powerful members are often less satisfied with inequity.  
B. Group members prefer structure, safety, and rules.  
C. Ties of group members are either loose, or strong and loyal.  
D. Group members either focus on future rewards or on the past/present.
33. One way to acknowledge your biases and change your mindset is to regularly interact with those who are  
A. different from you.  
B. similar to you.  
C. biased against you.  
D. familiar to you.
34. Knowing your strengths and weaknesses \_\_\_\_\_ professional development and career success.  
A. decreases chances for  
B. increases discontent with  
C. increases opportunities for  
D. decreases consistency with

35. When making a decision about a new product idea, Mitch asked for the input of employees from every department to make sure that he was well informed and understood multiple perspectives. Mitch demonstrated fairness by
- A. avoiding bias.
  - B. following rules.
  - C. taking accountability.
  - D. sticking up for others.
36. Imran has been working on his physical fitness by running each morning before school. Sometimes, when the alarm goes off, Imran would prefer to stay in bed and sleep in. However, he gets up and runs anyway because he knows it will help him reach his fitness goals. By running each morning even when he doesn't feel like it, Imran is displaying
- A. self-awareness.
  - B. self-discipline.
  - C. critical-thinking skills.
  - D. resentment.
37. A coworker suggests an idea that you don't agree with. How can you build trust by showing respect?
- A. Ask your coworker not to suggest any more ideas today.
  - B. Ask your other coworkers if they can come up with better ideas.
  - C. Suggest a better idea before your coworker finishes talking.
  - D. Listen to your coworker's idea before explaining your thoughts.
38. When Jane's biology teacher pulls her aside after class to discuss texting during lab, Jane throws her hands in the air, denies the behavior, and spends the rest of the conversation thinking about how she can disprove the accusation. Jane's strong reaction raises a barrier between the teacher and herself, and she is engaging in
- A. self-control.
  - B. defensiveness.
  - C. scapegoating.
  - D. destructive criticism.
39. Jamison is ignorant of his new classmate's culture. In other words, Jamison is
- A. individualist.
  - B. ethnocentric.
  - C. unintelligent.
  - D. uninformed.
40. Callie's coach is meeting individually with each player to discuss their performance at last night's rugby match. How should Callie engage in active listening?
- A. Stare at her coach and keep her face blank
  - B. Interrupt to offer her own thoughts on the match
  - C. Let her mind wander to other subjects
  - D. Paraphrase the message in her own words
41. Steph always knows how to say the right thing in any circumstances. What does Steph possess?
- A. Empathy
  - B. Tact
  - C. Confidentiality
  - D. Transparency
42. Which of the following is an effective persuasive technique:
- A. Look people in the eye when speaking to them.
  - B. Cross your arms to make people feel comfortable.
  - C. Speak loudly during your entire conversation.
  - D. Explain why your coworker is the wrong choice.
43. All members establish goals together in \_\_\_\_\_. In \_\_\_\_\_, a leader preestablishes goals.
- A. groups; committees
  - B. groups; teams
  - C. committees; teams
  - D. teams; groups
44. What are the basic principles that govern people's behavior and help us make better decisions?
- A. Laws
  - B. Ethics
  - C. Personalities
  - D. The Golden Rule
45. Rayne behaves ethically most of the time, but she sometimes acts unethically when she thinks she won't get caught. Rayne's ethical behavior is
- A. respectful.
  - B. irrelevant.
  - C. inconsistent.
  - D. unnecessary.

46. Which of the following is the best way to describe the relationship between goals and personal visions:
- A. Your goals act as the backbone of your personal vision.
  - B. Your goals and your personal vision are the same thing.
  - C. Your goals and your personal vision are unrelated.
  - D. Your goals always take priority over your personal vision.
47. A company's successful original product line has not changed much over the years. Recently, new competitors are developing more technologically advanced products. What should the company do to challenge its status quo?
- A. Focus on adapting current products rather than new products
  - B. Increase promotional efforts for the original product line
  - C. Consider opportunities as more important than threats
  - D. Invest in market research and product development
48. A bakery has a vision to become the number one-rated cupcake shop in town for the next year. The most significant problem with this vision is that it is
- A. unclear.
  - B. short term.
  - C. realistic.
  - D. relatable.
49. Receiving rewards and recognition helps fulfill which basic human need?
- A. Trust
  - B. Shelter
  - C. Physical health
  - D. Self-esteem
50. Which of the following statements about management styles is true:
- A. Management styles are controlled by companies.
  - B. Management styles are similar across the board.
  - C. Management styles are constant over time.
  - D. Management styles are affected by prior experiences.
51. Which of the following is an example of a short-term consequence:
- A. Cora feels well rested after going to bed early the night before.
  - B. Lyla becomes physically fit after waking up early to exercise.
  - C. Philip enjoys a comfortable retirement as a result of saving money.
  - D. Bradford becomes fluent in a new language as a result of practice.
52. Which of the following is an example of trademark infringement:
- A. A startup company accidentally uses a phrase in its advertising that belongs to another business.
  - B. A business designs a color scheme and logo that are similar looking to its competition's branding.
  - C. A superstore designs the packaging of its generic products to look similar to the name-brand versions.
  - D. A sporting goods store pays professional athletes to endorse its particular products.
53. Which of the following statements best describes revolving credit accounts:
- A. Credit is paid in installments within a certain period of time.
  - B. The credit limit is set at the time the credit account is opened.
  - C. Credit is used for consumed utilities that have not yet been paid.
  - D. Interest is not charged if a credit user makes payments on time.
54. Violet purchases a new laptop for school. This laptop is an example of a(n)
- A. asset.
  - B. liability.
  - C. waiver.
  - D. labor.
55. Clarence realizes that someone has used his Social Security number to apply for a credit card. This is an example of
- A. affinity fraud.
  - B. phishing.
  - C. smishing.
  - D. identity theft.

56. Investors who cannot handle much risk often put their money into  
A. ownership investments. C. collectibles.  
B. lending investments. D. business opportunities.

57. Businesses are most likely to use financial information when  
A. increasing expenses. C. lowering sales and profits.  
B. making purchases. D. maximizing debt.

58. Since businesses differ from one another, accounting systems will vary. However, there are certain requirements that every accounting system should fulfill. Two of those requirements are that the accounting system  
A. processes data slowly and is affordable to operate.  
B. is challenging to use and processes data quickly.  
C. is expensive to operate and is expandable.  
D. protects the business and is easy to use.

59. In addition to accounting, other fields that require an especially strong ethical framework include the \_\_\_\_\_ and \_\_\_\_\_ fields.  
A. medical; legal C. artistic; medical  
B. veterinary; culinary D. legal; hospitality

60. Which of the following is a way for cash to flow out of a business:  
A. Sale of assets C. Employee benefits  
B. Interest on investments D. Startup money

61. An example of a fixed asset is  
A. a checking account. C. accounts receivable.  
B. machinery. D. inventory.

62. Which of the following is an example of something a business would include in the operating expenses category of an income statement:  
A. Advertising C. Unsold items  
B. Raw materials D. Sales of goods

63. Capital investment decisions are different from working capital management in that capital investment decisions  
A. are responsible for managing accounts payable/receivable, inventory, and cash.  
B. are made for the short term rather than the long term.  
C. are made for the long term rather than the short term.  
D. are managed by the cash conversion cycle and return on capital.

64. Naomi's company purchases property for the location of a new motorcycle dealership. A month later, she runs the numbers again and discovers it doesn't make financial sense to open a new store. She convinces herself that the new location will bring in plenty of money and that the company shouldn't worry. Naomi's decision-making is affected by  
A. obedience to authority. C. sunk costs.  
B. loss aversion. D. incrementalism.

65. Which of the following characteristics is associated with an effective budget:  
A. Planned C. Inflexible  
B. Idealistic D. Vague

66. Employees who report unethical or illegal practices are called  
A. hypocrites. C. traitors.  
B. whistleblowers. D. candidates.

67. "Do it their way" is a saying most likely to correspond to which of the following elements of the marketing concept?

  - A. Company commitment
  - B. Customer orientation
  - C. Company goals
  - D. Continual improvement

68. Which of the following is the best way an employee can help a company achieve the goal of increasing sales:

  - A. Maintain a positive attitude
  - B. Have thorough knowledge of operating procedures
  - C. Follow up on and resolve customer complaints
  - D. Have thorough product knowledge

69. When evaluating the quality of information included in an online article, you should

  - A. disregard biases included in any source.
  - B. check to see if other readers left comments.
  - C. cross-check the information and references.
  - D. ignore the publication date if the article is helpful.

70. Proper information management most directly saves a business time and money by

  - A. protecting a company's identity.
  - B. keeping it ahead of the competition.
  - C. maintaining a higher level of productivity.
  - D. backing up important files.

71. Which of the following is a way in which technology has impacted the nature of business competition:

  - A. Employees must update their skills to compete for positions.
  - B. Companies must use or create new software to stay ahead.
  - C. It's easier for businesses to communicate with customers.
  - D. Productivity has decreased, and costs have increased.

72. In the URL address <http://www.example.org/lesson-A/lesson-B.html?version1=model1#2345>, the component /lesson-A/lesson-B.html is the

  - A. scheme.
  - B. path.
  - C. domain.
  - D. query.

73. Which of the following statements about presentation software is true:

  - A. It is a text-based representation of data or information.
  - B. It displays information with as little text as possible.
  - C. It allows information to be organized into a chart.
  - D. It allows for important messages to be delivered.

74. Which of the following is a capability of spreadsheet software:

  - A. Write letters, reports, or documents
  - B. Communicate with others
  - C. Manage and organize data
  - D. Create and display presentations

75. According to the steps of the data mining process, after an organization collects data and loads them into a data warehouse, what would typically come next?

  - A. Analysts and other professionals determine how to organize the data.
  - B. The data are stored and managed using in-house services or the cloud.
  - C. Application software sorts the data based on the user's results.
  - D. The data are presented in a graph, table, or other format.

76. A company email service uses certain algorithms to characterize an email as legitimate or spam. This is an example of what type of data mining technique?

  - A. Regression
  - B. Association
  - C. Clustering
  - D. Classification

77. A business keeps financial records for several reasons, including to
- A. make payments on time and prepare budgets.
  - B. help resolve customer complaints or disputes.
  - C. protect patents, trademarks, and copyrights.
  - D. aid in maintaining adequate inventory levels.
78. Which of the following is an economic factor that might be identified as part of an environmental scan:
- A. Increased general competition
  - B. Higher inflation rates
  - C. Changing state and local laws
  - D. Companies going green
79. What is the mode of the data set [3, 4, 9, 8, 6, 3, 2]?
- A. 7
  - B. 5
  - C. 4
  - D. 3
80. A toy manufacturer checks a sample of its toys before every shipment to ensure the quality of its products and to make sure they meet certain requirements. This is an example of quality
- A. assurance.
  - B. inspection.
  - C. guarantee.
  - D. scanning.
81. Sam is looking to hire a new employee. She mentions to her supervisor that she wants to hire ethical employees because that makes it easier to run an ethical business. She wants employees who have sound moral principles and are committed to doing the right thing, even if no one is watching. Sam wants to hire employees who demonstrate
- A. accountability.
  - B. transparency.
  - C. integrity.
  - D. viability.
82. The manager of a product development team made an unintended error during the production process, which slowed down the project's progress. Rather than shifting the blame for their mistake to someone else, the manager took full responsibility for their mistake and acted quickly to get the project back on track. What ethical principle did the manager demonstrate most?
- A. Fairness
  - B. Respect
  - C. Accountability
  - D. Trust
83. Monitoring a project allows you to show progress and give team members proof of their hard work. This is an example of how monitoring projects
- A. saves time and resources.
  - B. motivates team members.
  - C. is often unsuccessful.
  - D. includes creating a budget.
84. After looking over her teacher's feedback on a research paper, Eva realized that she should have left more time to cite her sources. She vows to do so on the next project. Eva is
- A. communicating with stakeholders.
  - B. determining lessons learned.
  - C. gathering financial data.
  - D. determining what to evaluate.
85. Although there are many challenges that a typical project can face on the road to successful completion, there are a number of benefits for a business that implements effective project management. Which of the following is a benefit to effective project management:
- A. Greater quality control
  - B. Project creep
  - C. Less teamwork and more independence
  - D. Difficulty assessing risk
86. When evaluating supplier performance, a purchasing specialist should
- A. determine if the supplier sent the right quantity of items.
  - B. examine the invoice to renegotiate the price.
  - C. assign the supplier a letter grade for its performance.
  - D. speak to the supplier's references to review its credentials.

87. Which of the following is a common characteristic of a batch production process:
- It is used to turn out products without stopping.
  - It is used to produce one item at a time or in small quantities.
  - It is used to produce large quantities of products rapidly.
  - It is used to meet specific or short-term market needs.
88. Organizations can become certified in certain ISO 9000 standards by
- being privately owned rather than publicly owned.
  - making regular monthly payments.
  - reaching a certain level of profitability.
  - undergoing a series of internal and external audits.
89. Which of the following is a good indicator of how well a company is keeping its costs under control:
- |                       |                     |
|-----------------------|---------------------|
| A. Gross profit       | C. Break-even point |
| B. Economies of scale | D. Total cost       |
90. Employees can help control a business's expenses by
- |   |                                    |
|---|------------------------------------|
| A. frivolously spending on business travel. | C. helping increase utility costs. |
| B. focusing on quantity over quality.       | D. managing their time and work.   |
91. Tasks like trimming your fingernails, wearing freshly laundered clothing, and applying deodorant are important parts of one's
- |                      |                  |
|----------------------|------------------|
| A. hygiene routine.  | C. sleep habits. |
| B. exercise program. | D. self-concept. |
92. Tom and several of his friends attend trivia night at a local restaurant every Wednesday. Although Tom rarely misses trivia night, he ultimately decides to skip out this week to be well prepared for an important sales pitch he has to make Thursday morning. Tom's decision is an example of a(n) \_\_\_\_\_ goal.
- |              |                |
|--------------|----------------|
| A. SMART     | C. learning    |
| B. effective | D. performance |
93. Which of the following is an example of positioning innovation:
- |   |                |
|---|----------------|
| A. A business implementing an assembly line for production          | C. learning    |
| B. A company releasing a new version of a smartphone                | D. performance |
| C. A smartphone being advertised as a source for gaming             |                |
| D. A meeting being held on a virtual software rather than in person |                |
94. Toward the end of her workday, Rebecca encountered a problem that she didn't quite know how to solve. Instead of coming up with a solution on the spot, she decided to head home and take her mind off the problem. While she was grocery shopping later that evening, she had a flash of insight that gave her a solution to the problem. Rebecca's journey to coming up with the solution to the problem is an example of the \_\_\_\_\_ method of problem-solving.
- |                  |                 |
|------------------|-----------------|
| A. brainstorming | C. mind mapping |
| B. intuitive     | D. seven-step   |
95. Which of the following is a general principle of time management:
- |   |                |
|---|----------------|
| A. Take on several challenging projects at once     | C. learning    |
| B. Be sure to focus on tasks, not on goals          | D. performance |
| C. Avoid breaking large projects into smaller parts |                |
| D. Determine which tasks are important and urgent   |                |
96. Entrepreneurs, small-business owners, and managers are alike in some ways, but they are also very different. When comparing and contrasting the three, which of the following is a characteristic of entrepreneurs:
- They handle day-to-day tasks to make a vision a reality.
  - They work to grow and expand their businesses.
  - They look to keep business operations small.
  - They typically employ less than 500 employees.

97. If Maria wants to review her company's paid time off rules, she should review the company's

  - A. code of conduct.
  - B. dress code.
  - C. leave policy.
  - D. health and safety policy.

98. Which of the following consequences is most common for a first-time or minor offense at work:

  - A. Verbal warning
  - B. Written warning
  - C. Suspension
  - D. Termination

99. In which of the following situations would it be recommended to bypass the chain of command:

  - A. Shiloh's supervisor asks him to train a new employee.
  - B. Orlando doesn't understand a company policy.
  - C. Phoebe's manager asks her to blame a colleague for her mistakes.
  - D. Bilaal has a question about a software program his boss doesn't understand.

100. An important skill that managers must have is the ability to see the "big picture." They must be able to look at the organization as a whole and understand how its various parts are interrelated. In other words, they must have which of the following skills:

  - A. Intrapersonal
  - B. Interpersonal
  - C. Technical
  - D. Conceptual



KEY

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## 1. C

Civil. Civil law includes laws that deal with the rights and duties of private entities, as well as possible disputes between them, which include contract disputes, personal injury claims, property disputes, and civil rights violations. Criminal law deals with crime, which can cause damage to an individual as well as society as a whole, and the legal punishment of criminal offenses. Administrative law pertains to the actions of government agencies, such as the Federal Trade Commission (FTC) or the Food and Drug Administration (FDA). Social law is not a recognized type of law.

SOURCE: BL:163

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

## 2. C

Literary or musical works. A copyright is a legal protection of books and other artistic works granted by government that gives their creators sole rights to them for a certain period of time. Literary, musical, dramatic, and architectural works, along with sound recordings and computer programs, are some examples of things that can be protected by a copyright. Inventions or processes are examples of things that can be protected by a patent—a legal protection of an invention or a process granted by government to its owners for a certain number of years. Symbols, designs, names, or phrases are examples of things that can be protected by a trademark—a word, name, symbol, or device used by a manufacturer or merchant to identify and distinguish its goods from those manufactured and sold by others.

SOURCE: BL:051

SOURCE: Entrepreneur. (n.d.). *Intellectual property*. Retrieved February 2, 2022, from <https://www.entrepreneur.com/encyclopedia/intellectual-property>

## 3. C

Corporation. The U.S. Supreme Court defines a corporation as an “artificial being, invisible, intangible, and existing only in contemplation of law.” As a business, a corporation functions independently of its owners but is treated as a person with legal rights, duties, and powers. A joint venture, or strategic alliance, occurs when two or more businesses enter a relationship by combining complementary resources, such as technology, skills, capital, or distribution channels, for the benefit of all parties. A limited partnership permits a partner to invest money in a business but have limited liability. A stockholder (or shareholder) is a person who purchases shares of stock to become an owner of a corporation.

SOURCE: BL:003

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

## 4. C

False declaration. John is guilty of false declaration, which occurs when a person misrepresents, leaves out information about, or makes any other false claims about the nature or values of any goods they're bringing into the country. Exporting violations occur when someone fails to obtain an export license for specific goods before shipping those goods out of the country. Importing violations try to hide the nature, origin, or value of imports in an attempt to avoid import duties. Smuggling is an attempt to bring forbidden goods or items into or out of a country.

SOURCE: BL:126

SOURCE: FindLaw. (2019, February 20). *Smuggling and customs violations*. Retrieved February 2, 2022, from <https://www.findlaw.com/criminal/criminal-charges/smuggling-and-customs-violations.html>

## 5. D

Nodding along and smiling. Nonverbal communication is communication that uses body language instead of words or to support words. Examples of nonverbal communication include nodding along, smiling, maintaining eye contact, using hand gestures, and good posture. Probing (finding out what customers think, feel, or know), quick comments, and positive remarks are examples of verbal communication—communication that involves the use of spoken words.

SOURCE: CO:082

SOURCE: Mind Tools. (n.d.). *Active listening: Hear what people are really saying*. Retrieved February 3, 2022, from <https://www.mindtools.com/CommSkill/ActiveListening.htm>

## 6. D

Connect with others. Active listening helps you connect with others. By listening actively, you let people know that you are taking them seriously and that what they have to say matters to you. You show them that they have value. When people share their thoughts and feelings in meaningful ways, they form connections that create stronger relationships. This is not an example of gathering information, forming an opinion, or increasing satisfaction.

SOURCE: CO:017

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

## 7. A

Sitting or standing upright. If you see anyone in the group of investors sitting or standing upright during your sales pitch, they are displaying positive body language/nonverbal cues. By sitting up straight or standing upright, the group member is showing that they are engaged with the sales pitch and listening to you. Fidgeting with hands, tense facial expressions, and closed-off posture are examples of negative body language/nonverbal cues. Each of these examples is an indicator that the group member is bored of what you are saying or perhaps isn't paying attention.

SOURCE: CO:059

SOURCE: Mind Tools. (n.d.). *Body language: Beyond words - How to read unspoken signals*. Retrieved February 3, 2022, from [https://www.mindtools.com/pages/article/Body\\_Language.htm](https://www.mindtools.com/pages/article/Body_Language.htm)

## 8. B

Make sure her voice and vocabulary are positive. When answering incoming calls, Lisa should make sure her voice and vocabulary are positive. Even if Lisa is having a tough day, a positive voice and positive vocabulary will give her a stronger ability to help customers, and the experience for the customers will be better. Lisa should avoid using slang terms and should not use fillers such as "um" or "like," as doing either will come off as unprofessional. Lisa should avoid putting callers on hold unless she absolutely needs to. If she does put any callers on hold, she must ask for their permission first.

SOURCE: CO:114

SOURCE: Ward, S. (2020, November 24). *How to answer the phone professionally at your business*. Retrieved February 3, 2022, from <https://www.thebalancesmb.com/how-to-answer-the-phone-properly-2947153>

## 9. A

Asking a thought-provoking question. To grab your audience's attention, one way you can start your presentation is by asking a thought-provoking question. This will make the audience want to listen and understand your message. Summarizing your main points is important but comes at the end of the presentation. Articulating your words properly is important but does not necessarily grab the audience's attention at the beginning of your presentation. Your visual aid should be prepared and ready to go before you begin your presentation.

SOURCE: CO:025

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

## 10. D

Allow participants to gather their thoughts. For a group discussion facilitator to be successful, they should allow participants to gather their thoughts. By being provided sufficient time and space to gather their thoughts, group members will be able to formulate their responses and effectively contribute to the discussion. A group discussion facilitator should be objective and free of bias rather than subjective. Instead of presuming all participants have similar expectations of the discussion, a facilitator should be clear up front about expectations and intentions among participants. A facilitator should ask contributors to elaborate on their thoughts when needed, even if they are talking too much. If the talkative participant becomes a problem, the facilitator can redirect the discussion to another person or topic.

SOURCE: CO:201

SOURCE: Brown University. (n.d.). *Tips on facilitating effective group discussions*. Retrieved February 3, 2022, from <https://www.brown.edu/sheridan/teaching-learning-resources/teaching-resources/classroom-practices/learning-contexts/discussions/tips>

11. D

Line graph. To show how his data change over time and to show trends chronologically, Andy should use a line graph to display his data. A line graph is a chart that displays a series of data points connected by straight solid lines. Line graphs are used to track changes over time and, thus, show trends in the data. A bar graph is used to compare absolute values or proportions between different groups or categories, and it represents the data using a series of bars across two axes. A bar graph can also be used to track changes over time, but it doesn't do so as effectively as a line graph. A pie chart, a circular graph that displays percentages of a whole as if they were slices of a pie, is best to use when trying to compare parts of a whole. A Pareto chart is a type of bar graph that aids in quality management by helping determine which problems need the most immediate attention.

SOURCE: CO:087

SOURCE: Freeman, J. (2021, June 6). *Line graph - When to use it?* Retrieved February 4, 2022, from <https://www.edrawsoft.com/chart/when-to-use-line-graph.html>

12. D

Single spaced and left justified. When writing a business letter in block format, each new paragraph should be single spaced and left justified. Between each paragraph in a business letter, there is a blank space. Other than that, the letter should be entirely single spaced. Instead of indenting the beginning of each paragraph, everything in the letter should be left justified.

SOURCE: CO:133

SOURCE: Purdue Online Writing Lab. (n.d.). *Writing the basic business letter.* Retrieved December 28, 2021, from [https://owl.purdue.edu/owl/subject\\_specific\\_writing/professional\\_technical\\_writing/basic\\_business\\_letters/index.html](https://owl.purdue.edu/owl/subject_specific_writing/professional_technical_writing/basic_business_letters/index.html)

13. B

Study customer preferences. When writing persuasive messages for a marketing campaign, a business should study customer preferences. Businesses that use powerful messages or marketing campaigns can sway decisions. For a message to become truly persuasive, business professionals need to listen to their audience's preferences and feedback and reflect that in their messages. Instead of relating to the competition in messages, businesses should differentiate from the competition. This will help make a product or service stand out in the customers' minds. A business should not encourage groupthink—the tendency of people in a group to make decisions together in a way that discourages individual responsibility or creativity. Rather, it should encourage creativity and innovation in order to alter their messages according to customer needs. Using analytical tools that count sales or social media hits, among other things, can help a company alter messages to better fit consumer needs.

SOURCE: CO:031

SOURCE: Chron Contributor. (2021, October 5). *Persuasive messages in business communication.* Retrieved February 4, 2022, from <https://smallbusiness.chron.com/persuasive-messages-business-communication-2820.html>

14. A

It should use appropriate language for the target audience. When writing an executive summary for a business plan, project proposal, research document, etc., the language used should be appropriate for the target audience. Before writing an executive summary, you need to understand who you are addressing. For example, if you are writing to a group of businesspeople, the language you'll use will be different than how you would write to a group of medical professionals. An executive summary should not repeat the same statements. The same key points can be made more than once, but they should be stated differently. The executive summary should make up about 5-10% of the length of the whole report, not 50%. An executive summary should grab the reader's attention in the opening paragraph rather than in the body.

SOURCE: CO:091

SOURCE: Malsam, W. (2021, August 12). *How to write an executive summary: A quick guide.* Retrieved February 4, 2022, from <https://www.projectmanager.com/blog/write-an-executive-summary>

15. D

Voice message. A voice message is an example of a lean channel of communication. A lean channel of communication presents messages or information without allowing for immediate interaction or feedback, and lean channels often convey facts in a straightforward manner. Other examples of lean channels of communication include blogs, brochures, texts, emails, and social media posts. Face-to-face meetings, video conferences, and online meetings are examples of rich channels of communication. Rich channels are more interactive than lean channels, and they provide opportunities for two-way communication where both the sender and receiver can read nonverbal cues.

SOURCE: CO:092

SOURCE: Lumen Learning. (n.d.). *Communication channels, flows, networks*. Retrieved February 4, 2022, from <https://courses.lumenlearning.com/suny-hccc-introbusiness/chapter/communication-channels-flows-networks/>

16. A

Word-of-mouth promotion. Violet telling others about her satisfaction with the business demonstrates word-of-mouth promotion—promotion for a business provided by customers who tell others of their satisfaction with the business. Potential customers tend to take word-of-mouth promotion more seriously than they do a business's marketing communications since it comes from sources they personally know and trust. Patronage is loyalty to a particular business. Customer loyalty is the customer's preference for a business and is usually expressed in regular purchases from the business. Customer service refers to the activities and benefits provided by a business to its customers to create goodwill and customer satisfaction.

SOURCE: CR:003

SOURCE: LAP-CR-003—Accentuate the Positive (Nature of Customer Relations)

17. C

Touchpoints. Businesses don't usually communicate brand promises to their customers and potential customers by using words. Rather, businesses use touchpoints to get the message across. A touchpoint is any interaction between a business and a customer or potential customer. For any given brand, there may be hundreds of potential touchpoints. Of course, not every customer will experience every touchpoint. The sum of the touchpoints that a customer does experience, however, becomes the company's communication of its brand promise to that customer. Hiring practices, memos, and marketing plans do not communicate brand promises to customers.

SOURCE: CR:001

SOURCE: LAP-CR-001—Share the Promise (Identifying Brand Promise)

18. D

Customers tend to judge a business as a whole. Customers tend to judge a business as a whole, not the sum of its parts. Despite the number of touchpoints a customer experiences, the customer will rarely have mixed feelings about a business. In most cases, today's customers tend to prefer relationship buying to shopping around.

SOURCE: CR:016

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

19. A

Loyalty. Ethical dilemmas often arise when there's confusion about where a business's or employee's loyalty should lie. Loyalty refers to allegiance or strong support. Trust means that a business keeps its promises, has technical competence and appropriate knowledge, is transparent, keeps information safe and private, uses customer information wisely, and provides great, consistent service. Consent refers to giving permission or agreeing to something, usually informing customers how private information will be used and allowing them to opt in or out. Big data are pieces of information that are automatically collected from mobile apps, website cookies, customer loyalty cards, etc.

SOURCE: CR:017

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

20. D

Conserve the resource. When resources are limited, producers must take steps to make up for the shortages. To conserve a disappearing resource, users must decrease the amount that is currently used. Consider some of the world's endangered animal species. Many of them are protected by laws that make it illegal to kill or use them. Finding another source, maintaining the capital good, and paying more are techniques to preserve resources, but they are not demonstrated in this example.

SOURCE: EC:003

SOURCE: LAP-EC-903—Be Resourceful (Economic Resources)

21. A

Leah just earned \$200, and she wants to treat herself to ice cream. For demand to exist, consumers must have the desire for a good or service and the buying power to pay for the good or service. Because Leah just earned \$200, she has the buying power to purchase ice cream. Tisha wants a laptop, but she does not have the buying power for it, so demand does not exist. Nolan does not have the desire for the latest Xbox system, so demand does not exist. A coffee shop that cannot afford to buy the ingredients for pumpkin spice lattes lacks buying power.

SOURCE: EC:005

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

22. A

Social responsibility. In a free enterprise system, anyone and everyone is free to start a business and pursue its success. However, along with this privilege comes social responsibility. Social responsibility is the duty of business to contribute to the well-being of society. Ethical principles are standards that govern behavior. Being transparent means being truthful when communicating. Stakeholders are people or businesses who are affected by a company's success or failure.

SOURCE: EC:106

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

23. A

Health care. As a society ages, the demand for health care, including services provided by hospitals, doctors, dentists, pharmacists, etc., typically increases. While the construction, agriculture, and manufacturing industries may also grow, none are as likely to grow as the health care industry.

SOURCE: EC:107

SOURCE: LAP-EC-107—Keep the Change (Adapting to Markets)

24. C

Decisions are based on habits, customs, and beliefs. A traditional economy is an economic system in which people produce only what they must have to exist. In this economic system, few economic decisions need to be made, but those decisions are based on habits, customs, beliefs, and tradition. A command economy (such as communism or socialism) is an economic system in which all or many of the means of production and distribution are owned and controlled by the government. In command economic systems, consumer influence is low, and there is little to no competition. A market economy is an economic system in which the questions of what, how, and for whom products will be produced are answered by individuals and businesses in the marketplace. In this system, prices are controlled by supply and demand rather than being set by the government.

SOURCE: EC:007

SOURCE: LAP-EC-907—Who's the Boss? (Economic Systems)

25. C

Hazard. Hazard risks are potential events or situations that can cause injury or harm to people, property, or the environment. In this instance, Luisa was harmed by the business's lack of food safety and never came back. Operational risks are the possible events and situations that can result from employee actions, core processes, and daily business activities. Strategic risks can have significant impact on the company's long-term plans. Financial risks are possible events or situations that directly influence a company's cash flow.

SOURCE: EC:011

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

26. A

Self-employment. Addie is responsible for paying self-employment taxes—money that a self-employed person must pay to the federal government and that is the equivalent of a business's payroll tax. Addie's clients won't withhold any taxes from her earnings, so she must pay the entire amount of her payroll taxes. Flat taxes are taxes under which the same rate applies to everyone. Excise taxes are indirect taxes charged on specific goods, such as gasoline and alcohol. Sales taxes are taxes collected from consumers at the point of purchase and are usually a percentage of the total sale.

SOURCE: EC:072

SOURCE: LAP-EC-072—Pay Your Share (Business Taxes)

27. D

Too many different products. There are a number of things that can hinder a business's productivity level, including the production of too many different products. Some businesses are not productive, because they try to do too much. Rather than focus on a limited variety of products, they try to produce too many diverse items. Specialization, division of labor, and working within government regulations are not things that can hinder a business's productivity level; rather, they are ways to improve productivity.

Specialization is the process of using an employee's narrow focus on one task or area of expertise in the production of goods and services. Division of labor is the process of dividing a large job into units, or job tasks, and assigning an individual to do each of the tasks, which helps increase productivity. Working within government regulations is important for productivity because doing so reduces the chance of investigations and orders to cease production.

SOURCE: EC:013

SOURCE: LAP-EC-018—Make the Most of It (Productivity)

28. C

Worker dependency increases. While there are many advantages of specialization—the process of using an employee's narrow focus on one task or area of expertise in the production of goods and services—there are undoubtedly some downsides to it. One of these downsides is that worker dependency increases. Interdependency occurs when workers must rely on each other to accomplish a task or produce a product. When a job involves producing only one part of a whole product, employees become interdependent with those responsible for producing the other parts. If somebody doesn't do their part, the employees and the company lose out. Simplified worker training and increased production rates are both benefits of specialization. Increased quality of work is an advantage of specialization, not quantity. Specialization doesn't necessarily lead to an increase or decrease in quantity of work.

SOURCE: EC:014

SOURCE: LAP-EC-914—Divide and Conquer (Specialization and Division of Labor)

29. C

Cost-push inflation. The increase in prices of seafood dishes due to the scarcity of sea life is an example of cost-push inflation. Cost-push inflation occurs when prices rise as a result of limited or scarce commodities. Demand-pull inflation occurs when prices rise due to aggregate demand exceeding supply or an increase in the money supply. Hyperinflation is an environment in which prices are rising at a rapid or extremely high rate. Deflation is the opposite of inflation and refers to a steady decline in the general price levels of consumer goods and services over a period of time.

SOURCE: EC:083

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

30. B

Gross private domestic investment. A landlord who owns an apartment building is contributing to gross private domestic investment, which includes investments in both residential and nonresidential buildings, as well as changes in the value of business inventories. Personal consumption expenditures include all products purchased for personal use by individuals. The segment of the population that makes personal consumption purchases is often called the household sector. Government purchases of goods and services includes everything purchased by local, state, and federal governments.

SOURCE: EC:017

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

31. B

Counter. In the exchange rate quotation USD / EUR = 0.87, EUR is the counter currency. The counter currency (also called quote currency) is the second currency listed in an exchange rate quotation, and its value will be equal to one unit of the base currency (which is the first currency listed in an exchange rate quotation and is based on one unit of this currency). In this scenario, USD is the base currency. In other words, one USD (United States dollar) is worth 0.87 euros. Pegged currency, which is also known as fixed currency, is currency that has a fixed exchange rate with another country's currency. Strong currency is currency that is generally more valuable than other currencies on the foreign exchange market.

SOURCE: EC:100

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

32. B

Group members prefer structure, safety, and rules. Hofstede's dimensions of national culture are measures of different aspects of society and are based on the experience and research of Geert Hofstede. The uncertainty avoidance dimension refers to a society's tolerance toward uncertainty or insecurity. Group members of uncertainty-avoiding cultures prefer structure, rules, and safety, while members of an uncertainty-accepting culture are open to many different opinions and avoid having too many rules. The power distance dimension refers to how accepting less powerful members of a society are of the inequality within the society. Less powerful members are often less satisfied with inequity, while more powerful members are more accepting of it. The ties of group members are loose and everyone is expected to take care of themselves in an individualist society, while people are integrated into strong, loyal groups, such as extended families, in a collectivist society. This is known as the individualism vs. collectivism dimension. Group members either focus on future rewards or on the past/present in the long-term vs. short-term orientation dimension. Members of a long-term orientation society focus on future rewards and value actions such as persistence and saving money, while members of a short-term orientation society focus on the past or present and value things such as national pride and fulfilling social obligations.

SOURCE: EC:045

SOURCE: LAP-EC-045—On Top of the World (Impact of Culture on Global Trade)

33. A

Different from you. One of the main causes of prejudice and discrimination is a lack of knowledge about a group of people. If you are surrounded by those who are just like you, you may not understand people who are different. You may experience discomfort or even fear when you do encounter someone different, which can lead you to resort to prejudicial thinking. It is important to consider other points of view and to develop empathy for those who come from a different background than yours. Exposing yourself to new situations can be scary, but it will help you see that those who may appear different might be more like you than you think—and if not, that diversity should be welcomed and celebrated.

SOURCE: EI:017

SOURCE: LAP-EI-917—Don't Jump to Conclusions! (Recognizing and Overcoming Personal Biases and Stereotypes)

34. C

Increases opportunities for. When you know your strengths and weaknesses, you have a greater, not lesser, chance for career success. You give yourself the opportunity to maximize your strengths and improve your weaknesses. Knowing your strengths and weaknesses does not typically increase discontent or decrease consistency with professional development and career success.

SOURCE: EI:002

SOURCE: LAP-EI-902—Assess for Success (Assessing Personal Strengths and Weaknesses)

35. A

Avoiding bias. Avoiding and preventing bias is one of the most important ways to demonstrate fairness to others. Consulting others and getting insight from differing points of view is a great way to make sure you are being unbiased. Mitch is consulting other employees from different backgrounds so he can make sure that he is getting different viewpoints and not being biased in favor of his own background and agenda. In this instance, Mitch is not following rules, taking accountability, or sticking up for others.

SOURCE: EI:127

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

36. B

Self-discipline. Being responsible means doing what you need to do even when it's challenging. You may not feel like studying for your midterm exams, but if you have self-discipline, you'll buckle down and do it so that you can be fully prepared to do your best. By running each day even when it's challenging, Imran is setting himself up for success. Resentment is being frequently upset with others because you think you've been treated unfairly. Having critical-thinking skills means that you can make reasonable judgments about people, ideas, situations, etc. Self-awareness simply refers to your ability to recognize the effects your actions have on others.

SOURCE: EI:075

SOURCE: LAP-EI-075—It's Up to You (Taking Responsibility for Decisions and Actions)

37. D

Listen to your coworker's idea before explaining your thoughts. Respectful people always honor the rights, freedoms, views, and property of others. This means listening to other people's opinions instead of starting fights, not taking things that don't belong to you, and showing basic politeness. If a coworker suggests an idea you don't agree with, you should listen politely before explaining your thoughts. You should not interrupt your coworker to suggest a better idea or ask your coworker not to suggest any more ideas. Asking other coworkers to come up with better ideas may be seen as rude, although you may respectfully ask them to contribute their thoughts.

SOURCE: EI:128

SOURCE: LAP-EI-128—Trust in Me (Building Trust in Relationships)

38. B

Defensiveness. Defensiveness involves participating in protective behavior with the intent to avoid criticism. Defensiveness raises a barrier between you and the speaker, and it keeps you from hearing the criticism clearly because you're thinking of ways to defend yourself. Becoming defensive in the face of feedback not only can keep you from benefiting from the wisdom and insights of others, but it can also cause you to fall out of favor with your supervisor. Self-control is the ability to monitor and regulate one's emotions. Scapegoating is choosing a person or group to assign blame to. Destructive criticism points out mistakes and includes a personal attack on the individual.

SOURCE: EI:003

SOURCE: LAP-EI-903—Grin and Bear It (Using Feedback for Personal Growth)

39. D

Uninformed. Saying that a person is ignorant just means they lack knowledge or information about something. Because Jamison is ignorant of his new classmate's culture, he is uninformed. If someone is ignorant, it does not mean they are unintelligent. Being ethnocentric means you believe your own culture is naturally better than others. Being individualistic means placing an emphasis on independent work and accomplishments. Jamison does not demonstrate ethnocentrism or individualism in this example.

SOURCE: EI:033

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

40. D

Paraphrase the message in her own words. Active listening is a method of careful listening that involves paying attention, displaying proof of listening, and providing feedback to facilitate the two-way transmission of information. This allows the receiver to truly comprehend and interpret the information they are being given—ensuring that they fully understand the sender's message. To help her comprehend her coach's message, Callie should reflect on what they have said by paraphrasing the message in her own words. Callie would be providing feedback, which is part of active listening. Interrupting her coach, letting her mind wander, and staring and maintaining a blank face are all examples of barriers to communication.

SOURCE: EI:007

SOURCE: LAP-EI-140—More Than Just Talk (Effective Communication)

41. B

Tact. The ability to say the right thing in any circumstances is tact. Being open and honest can sometimes be difficult, but it's still necessary to do so in a polite way. Empathy is the ability to relate to the feelings, thoughts, and experiences of other people. Confidentiality means respecting other people's private information. Transparency involves communicating openly and honestly with everyone. Having tact is part of fostering open, honest communication.

SOURCE: EI:129

SOURCE: LAP-EI-129—Can We Talk? (Fostering Open, Honest Communication)

42. A

Look people in the eye when speaking to them. This is an effective persuasive technique because you are using appropriate body language. Crossing your arms will not usually make people feel comfortable. You should speak in a normal tone of voice and speak a little louder to make a point. Explaining why your coworker is the wrong choice uses negativity, which often makes you look mean-spirited or insecure.

SOURCE: EI:012

SOURCE: LAP-EI-912—Win Them Over (Persuading Others)

43. D

Teams; groups. You may think that a team is just a group of people, but teams go a step further. For example, in teams, all members establish goals together. In groups, a leader preestablishes goals. A committee is an appointed group of people that is dedicated to a specific matter. Teams are groups that collaborate and evenly share responsibilities to accomplish a goal. Each team member has important and unique contributions they make for the team to be successful. All team members have an equal stake in the outcome.

SOURCE: EI:045

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

44. B

Ethics. Ethics are the basic principles that govern people's behavior. They guide our actions and help us make better decisions. Laws are legally enforced rules, and while they may regulate people's behavior, they are not the basic principles that help us make better decisions. Personalities are characteristic patterns of thoughts and behaviors that are unique to each person. The Golden Rule refers to the principle of treating others the way you would want to be treated yourself.

SOURCE: EI:131

SOURCE: LAP-EI-131—Be the Change (Nature of Ethical Leadership)

45. C

Inconsistent. Being consistent in your ethics means always doing the right thing, no matter the circumstances or situation. Ethical people are consistent no matter who is watching them or whether or not they have something to gain. Rayne's ethical behavior is inconsistent because her ethics tend to waver when she thinks she won't get caught, which is an example of inconsistency. There is no indication that Rayne's ethical behavior is irrelevant, respectful, or unnecessary.

SOURCE: EI:132

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

46. A

Your goals act as the backbone of your personal vision. A goal is a concrete end result that you hope to achieve. Goals are considered "finished" when they are accomplished, whereas a personal vision is a lifelong pursuit with no distinct endpoint. Goals also tend to be more specific and measurable than visions. Even though your goals and vision are different, they are closely related. Your goals act as the backbone of your vision; each goal that you complete moves you closer to your desired future. Goals support your personal vision and do not necessarily always take priority.

SOURCE: EI:063

SOURCE: LAP-EI-063—Picture This! (Determining Personal Vision)

47. D

Invest in market research and product development. Companies should challenge the status quo because companies that do not evolve with their industries will often lose market share. One way to challenge the status quo is to invest in market research and product development. This will ensure that the company is keeping up with industry trends and adapting its products to customers' needs and wants. Increasing promotional efforts for the original product line will not necessarily challenge the status quo, because the original product line *is* the status quo. Identifying both opportunities and threats is a good way to challenge the status quo, but opportunities are not necessarily more important than threats. Finally, adapting current products rather than focusing on new products would not necessarily challenge the status quo, because the current products are a part of the status quo.

SOURCE: EI:134

SOURCE: LAP-EI-134—Unfollow the Crowd (Challenging the Status Quo)

48. B

Short term. Great visions are long term rather than short term. This vision only looks at one year, which isn't necessarily long term. There is no indication that the vision is unclear. Good visions should be realistic and relatable. Being realistic or relatable is not a problem demonstrated by the vision in this scenario.

SOURCE: EI:060

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

49. D

Self-esteem. Receiving rewards and recognition helps fulfill the basic human needs of self-esteem and self-respect. Just as food, clothing, and shelter are necessary for our physical health, self-esteem and self-respect are necessary for our psychological and emotional health. Receiving rewards and recognition may contribute to building a trusting relationship. Shelter is a basic human need that contributes to physical health, but rewards and recognition do not contribute to it.

SOURCE: EI:014

SOURCE: LAP-EI-141—Gimme Five! (Recognizing/Rewarding Others)

50. D

Management styles are affected by prior experiences. Management styles, which are managers' approaches to the task of supervising, are affected by prior experiences, personality traits, and attitudes regarding motivation. Management styles often vary and can change over time, depending on experience, the situation, etc. Management styles are set by individuals, not by companies.

SOURCE: EI:037

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

51. A

Cora feels well rested after going to bed early the night before. A consequence is the result of an action. A short-term consequence is a result that occurs shortly after an action is taken. Because Cora went to bed early one night, she feels the results of this decision the next day, when she feels well rested. This short time frame means that Cora experienced a short-term consequence as a result of her decision. A long-term consequence is a result that does not occur immediately, but rather at some time in the future. Becoming physically fit, enjoying retirement, and becoming fluent in a language are examples of long-term consequences because they result from actions taken far in advance.

SOURCE: EI:137

SOURCE: LAP-EI-137—Choose for the Future (Assessing the Long-Term Value and Impact of Actions on Others)

52. A

A startup company accidentally uses a phrase in its advertising that belongs to another business. Trademark infringement is the reproduction, counterfeiting, copying, or imitation of a registered mark in commerce. An example of trademark infringement is using a phrase in an advertisement that belongs to another business by trademark, even if it is accidental. A company making a brand's color scheme, logo, or packaging similar to another's brand is not necessarily trademark infringement. Paying professional athletes to endorse products is not trademark infringement.

SOURCE: EN:044

SOURCE: LAP-EN-044—Ethical Excellence (Ethics in Entrepreneurship)

53. B

The credit limit is set at the time the credit account is opened. A revolving credit account is a type of credit account that limits the total amount of money that may be owed and charges interest on outstanding balances. With a revolving credit account, the credit limit is set at the time the credit account is opened. An installment credit account is a type of credit account set up to handle one total amount of credit that is to be paid off in regular installments within a certain period of time. Service credit is credit used for utilities that have been consumed but not yet paid for. A budget credit account is a form of short-term credit often set up for 60- or 90-day periods with a payment due every 30 days, and it does not charge interest if a credit user makes payments on time.

SOURCE: FI:002

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

54. A

Asset. An asset is anything of value that a business or individual owns, such as a building or laptop computer. A liability is a debt, usually money, that a business or individual owes. Labor is the work that people do (or the workers themselves). A waiver is a signed document releasing a company or individual from some right, privilege, or responsibility.

SOURCE: FI:562

SOURCE: Barone, A. (2022, January 27). Asset. Retrieved February 10, 2022, from <https://www.investopedia.com/terms/a/asset.asp>

55. D

Identity theft. Identity theft is the fraudulent acquisition and use of a person's private identifying information (e.g., name, Social Security number), usually for financial gain. Phishing is an online identity theft scam that fools its victims into believing they are submitting sensitive, personal information (such as credit card numbers or bank passwords) to a legitimate website. Smishing is illegal activity that involves posing as a financial institution or other business and sending fraudulent text messages requesting personal information such as account numbers and passwords. Affinity fraud is an investment scam in which the scammer claims to be a member of the group they are targeting, often a Ponzi or a pyramid scheme.

SOURCE: FI:073

SOURCE: Kagan, J. (2021, February 13). *Identity theft*. Retrieved February 10, 2022, from <https://www.investopedia.com/terms/i/identitytheft.asp>

56. B

Lending investments. Investors who cannot handle much risk often put their money into lending investments. With lending investments, you allow someone to borrow your money for a period of time—for a price. Investors who can handle greater amounts of risk often put their money in ownership investments, which include business opportunities and collectibles.

SOURCE: FI:077

SOURCE: LAP-FI-077—Invest for Success (Types of Investments)

57. B

Making purchases. Keeping financial information can help a business run smoothly, figure out its current and future expenses, and improve decision-making. One example of financial information aiding businesses with decision-making is that it helps them with making purchases. Businesses make big purchases—such as buildings, equipment, vehicles, etc.—from time to time, and financial information can help determine what they can afford as well as the best way to finance each purchase. Rather than increasing expenses, businesses use financial information to help decrease expenses. Businesses also use financial information in an effort to increase sales and profits, not lower them. The use of financial information can help a business manage or even reduce its debt, rather than maximize it.

SOURCE: FI:579

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

58. D

Protects the business and is easy to use. An accounting system is the methods and procedures used in consistently handling the business's financial information. No matter the business, every accounting system should fulfill certain requirements. These requirements are that it is easy to use, it processes data quickly, it is expandable, it is affordable to operate, and it protects a business. An accounting system should not be challenging to use, because it may lead to people making mistakes or not being able to keep information current. A business should choose an accounting system that meets its needs, but not one that is costlier than necessary. An accounting system should process data quickly, not slowly, so that information can be available at any time.

SOURCE: FI:085

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

59. A

Medical; legal. In addition to accounting, other fields that require an especially strong ethical framework include the medical and legal fields. All three fields handle private, personal information, perform an important service society needs, and require integrity. While veterinary, culinary, artistic, and hospitality fields all benefit from strong ethical frameworks, the medical and legal fields present the strongest need for ethics.

SOURCE: FI:351

SOURCE: LAP-FI-351—With Due Care (The Role of Ethics in Accounting)

60. C

Employee benefits. Employee benefits are a common way in which cash flows out of a business. Employee benefits (advantages or payments employees receive in addition to their wages, such as sick time, holiday pay, or health insurance) fall under a business's operating expenses—all of the expenses involved in running a business. Interest on investments, sale of assets, and startup money are all ways in which cash flows into a business. Some businesses receive cash in the form of interest—money payments for the use of borrowed money. Businesses sometimes sell assets (anything of value that a business owns) that they no longer need, which brings in cash. Startup money is money from entrepreneurs, investors, bank loans, etc., that flows into a business before it is actualized.

SOURCE: FI:091

SOURCE: LAP-FI-091—Count the Cash (Cash Flow Statements)

61. B

Machinery. A fixed asset is an asset that cannot easily be converted into cash. Examples of fixed assets include machinery, land/property, equipment, and buildings. Fixed assets are not as liquid as current assets and usually cannot be converted into cash within a year. Current assets are liquid and can be converted into cash in one year or less. Examples of current assets include checking accounts, accounts receivable, inventory, and prepaid expenses.

SOURCE: FI:093

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

62. A

Advertising. The operating expenses category of an income statement addresses all expenses that keep a business running and operating. This includes the cost of advertising, insurance, employee wages/salaries, mortgage or rent, and utilities (gas, water, electricity). Raw materials and unsold items are examples of expenses that are included in the cost of goods sold/cost of sales category of an income statement, which includes all direct costs to obtain and/or produce the goods or services that a business sells. Other examples include the costs of supplies used in the manufacturing process, labor, packaging, and shipping. Sales of goods is an example of something that would fall under the revenue category, which refers to the total amount of money earned by a business and includes the sales of the business's goods and services, interest earned from bank accounts, returns on investments, and the sale of the business's assets.

SOURCE: FI:094

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

63. C

Are made for the long term rather than the short term. Capital investment decisions are decisions that determine which projects a business will invest in, how the investment(s) will be financed, and whether to pay dividends to shareholders. Capital investment decisions are made for the long term rather than the short term, while working capital management involves decisions made for the short term. Working capital management is the management of a firm's current balance of assets and liabilities, and it involves accounts payable and receivable, inventory, and cash. In addition, working capital management is managed by the cash conversion cycle and return on capital. The cash conversion cycle is a ratio that refers to the number of days between a company's paying for raw materials and receiving cash from selling the products made from those raw materials. Return on capital is a measure of how well a business generates cash flow in relation to the capital it has already invested in itself.

SOURCE: FI:354

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

64. C

Sunk costs. Sunk costs are costs that have already been incurred and thus cannot be recovered. If you have already invested in something, it is difficult to admit that it was not the right decision, especially when there is nothing you can do about it. Loss aversion is the tendency to avoid a loss at all costs, even when attempting to avoid that loss can lead to negative consequences. Obedience to authority refers to the natural tendency to want to please authority figures. Incrementalism refers to the diminishing of ethical values over time.

SOURCE: FI:355

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

65. A

Planned. An effective budget has many characteristics, including that it is planned. When developing a budget, a business must plan how best to support each department and budget category in accomplishing the company's overall goals. A well-planned budget is also one that integrates all of the specialized budgets so that they work together and are in agreement. An effective budget will be realistic, not idealistic, and will not attempt to make estimates without adequate information. It will also be flexible rather than inflexible, and it will be able to make adjustments when needed. An effective budget will not be vague; rather, it will be detailed, clearly communicated, and evaluated. Successful budgets are those that have been evaluated regularly as well as clearly communicated to all employees so that each person in the company is aware of their effect on the company's profits.

SOURCE: FI:106

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

66. B

Whistleblowers. Employees who report unethical or illegal practices are called whistleblowers. Hypocrites are people who say they live by certain values but in reality do not. Traitors are people who betray their principles, friends, or company. Whistleblowers are sometimes treated like traitors, but they are not. Candidates are people who apply for jobs.

SOURCE: HR:411

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

67. B

Customer orientation. The marketing concept consists of three basic elements: customer orientation, company commitment, and company goals. Simply put, customer orientation means doing it the customer's way. Company commitment means that everyone in the company is doing things right for their customers. Company goals means incorporating the marketing concept while maintaining a commitment to organizational goals, whatever they might be. Continual improvement is not part of the marketing concept.

SOURCE: MK:001

SOURCE: LAP-MK-901—Have It Your Way! (Nature of Marketing)

68. D

Have thorough product knowledge. An employee who has thorough product knowledge can help increase sales by providing excellent customer service. Having a thorough knowledge of operating procedures and resolving customer complaints do not help an employee make significant increases to sales. Maintaining a positive attitude is a general action that helps an employee achieve overall company goals, but it does not necessarily lead to an increase in sales.

SOURCE: MK:015

SOURCE: LAP-MK-015—Act Now! (Employee Actions and Company Goals)

69. C

Cross-check the information and references. When evaluating the quality of information included in an online article, you should cross-check the information and references. To cross-check information in an article, such as facts, dates, percentages, etc., check them against a second reliable source. To cross-check references, check the sources in the reference page to make sure they are valid. Other readers leaving comments on an article does not confirm the quality, validity, reliability, or accuracy of an article. You should choose an article that is free of bias. Rather than ignoring biases that are included in an article, it is important to check for biases when determining if the article is a reliable source. Even if the information in the article is helpful, you should always check the publication date to make sure the information is still relevant and not outdated.

SOURCE: NF:079

SOURCE: Cooper, M. (2020, June 5). *How to determine the validity of a research article*. Retrieved February 8, 2022, from <https://classroom.synonym.com/determine-validity-research-article-5035804.html>

70. C

Maintaining a higher level of productivity. Proper information management saves a business time and money by maintaining a higher level of productivity. For a business to run efficiently, information must be managed and organized so it can be found quickly whenever it is needed. And in business, where time is money, this is cost-effective as well. Keeping businesses ahead of the competition is a result of information management supporting decision-making, as informed decisions help a business stay ahead of the competition. Protecting a company's identity is a result of information management preserving organizational identity and history. Companies must protect their identities by properly managing copyrights, patents, trademarks, etc. Backing up important files is a result of information management maintaining a business's continuity in case of disaster. This part of information management might include backing up files, storing certain vital information off site, maintaining updated contact information for all employees, and running drills to practice procedures in the event of an emergency.

SOURCE: NF:110

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

71. B

Companies must use or create new software to stay ahead. Technology has changed the nature of competition, as businesses must stay on top of new technologies to remain competitive. In some industries, such as the computer industry, it's not enough for businesses to just familiarize themselves with the latest technologies—they must lead the way in using or creating new software or other technologies to stay competitive. Employees needing to update their skills to compete for positions is a way in which technology has impacted the job market and the nature of jobs themselves. Technology has impacted the nature of marketing because it makes it easier for businesses to communicate with their customers. If a business takes advantage of available technology, its productivity will increase rather than decrease, and costs will decrease instead of increase.

SOURCE: NF:003

SOURCE: LAP-NF-004—TECH-tastic (Technology's Impact on Business)

72. B

Path. In the URL address <http://www.example.org/lesson-A/lesson-B.html?version1=model1#2345>, the component /lesson-A/lesson-B.html is the path. The path follows the domain and identifies the specific resource or file the web client wants to access. The scheme of a URL is the method that will be used to access the resource or transmit/exchange data, and it is often either http:// or https://. The domain, also commonly referred to as a host, is a user-friendly expression of the Internet Protocol (IP) address of a website that points to the location of the website's host server. In this example, http:// is the scheme and www.example.org is the domain. The query, or query string, follows the path component, is commonly preceded by a question mark (?), and is frequently used for internal searches. In this example, ?version1=model1#2345 is the query string.

SOURCE: NF:006

SOURCE: Seobility Wiki. (n.d.). *URL*. Retrieved February 8, 2022, from <https://www.seobility.net/en/wiki/URL>

73. B

It displays information with as little text as possible. Presentation software is most commonly used to present data or information in a slide show format. Generally, presentation software, such as Microsoft PowerPoint or Google Slides, is meant to summarize data and uses as little text as possible on each slide. Word processing software is a text-based representation of data or information, while presentation software is a virtual representation of them. Spreadsheet software allows information to be organized into a chart, not presentation software. Some presentation software allows for users to post comments and respond to comments, but it is not commonly used to send important messages or for back-and-forth communication.

SOURCE: NF:008

SOURCE: Katewa, S. (2021, October 23). *What is the difference between PowerPoint, Word, and Excel?* Retrieved February 9, 2022, from <https://artofpresentations.com/what-is-the-difference-between-powerpoint-word-and-excel/>

74. C

Manage and organize data. Spreadsheet software is most commonly used to manage and organize data. In a spreadsheet software, such as Microsoft Excel or Google Sheets, the information can be sorted into columns, rows, and cells to capture, record, and analyze data. Spreadsheets can also be used to create graphs or charts to summarize data. Although some spreadsheet software allows for users to post comments and respond to comments, it is not commonly used for communicating with others. Writing letters, reports, or documents is a function of a word processing software, such as Microsoft Word or Google Docs, not a spreadsheet software. Creating and displaying presentations is a function of a slide presentation software like Microsoft PowerPoint or Google Slides. Spreadsheets do not allow for the creation or display of presentations.

SOURCE: NF:010

SOURCE: Katewa, S. (2021, October 23). *What is the difference between PowerPoint, Word, and Excel?* Retrieved February 8, 2022, from <https://artofpresentations.com/what-is-the-difference-between-powerpoint-word-and-excel/>

75. B

The data are stored and managed using in-house services or the cloud. Generally, the first step of the data mining process is the collection of data and loading those data into a data warehouse. This is typically followed by storing and managing the data, either on in-house services or in the cloud. Then, business analysts, IT professionals, or management teams access the data and determine how to organize the data. Next, application software sorts the data based on the user's results. Lastly, the data are presented by the end user in a sharable format such as a graph or table.

SOURCE: NF:148

SOURCE: Twin, A. (2021, September 17). *Data mining*. Retrieved February 8, 2022, from <https://www.investopedia.com/terms/d/datamining.asp>

76. D

Classification. A company email service using certain algorithms to characterize an email as legitimate or spam is an example of the data mining technique known as classification. Classification is the process of retrieving important information about data and classifying different data into different predefined classes. In classification, data analysts have the knowledge of different classes and apply algorithms to decide how new data should be classified. Association refers to the method of identifying relationships between different variables or data items in large databases, and it is useful when trying to forecast. Clustering is the process of discovering groups (or clusters) of data and categorizing data that are identical in some way into the same class. Clustering is similar to classification, but clustering identifies similarities between data and groups them according to those common characteristics, which differentiates them from other clusters. Regression is a method of predicting the numerical value of a specified data set and identifying/analyzing the relationship among variables. Regression is commonly used in marketing and finance.

SOURCE: NF:149

SOURCE: Precisely. (2021, November 8). *Top 5 data mining techniques*. Retrieved February 9, 2022, from <https://www.precisely.com/blog/datagovernance/top-5-data-mining-techniques>

77. A

Make payments on time and prepare budgets. Financial records contain information related to the amount of money going into and out of a business. A business keeps financial records for several reasons, including to make payments on time, prepare budgets, bill customers accurately, and track its income and expenses. A business keeps customer records—clients' names and addresses, or information about past purchases and future needs—to help resolve customer complaints or disputes. Legal records are documents containing information relating to or concerned with the law, and they include contracts/agreements, leases, and intellectual property (patents, copyrights, trademarks, and trade secrets). Keeping legal records on intellectual property is essential to protect patents, trademarks, and copyrights. Inventory records are documents containing information related to the goods that a business has on hand or on order, and they aid in maintaining adequate inventory levels.

SOURCE: NF:001

SOURCE: LAP-NF-001—Record It (Business Records)

78. B

Higher inflation rates. Environmental scanning is the process of collecting information about the environment surrounding your business. Higher inflation rates are an economic factor that might be identified as part of an environmental scan. Increased general competition is a competition trend that may be identified during an environmental scan. Changing state and local laws are a political/governmental factor that might be identified. Companies going green is a society and culture trend.

SOURCE: NF:015

SOURCE: LAP-NF-015—Get the 4-1-1 (Conducting an Environmental Scan)

79. D

3. The mode of the data set [3, 4, 9, 8, 6, 3, 2] is 3. The mode is the most frequently occurring number in a data set. In this case, 3 is the only number that repeats, making it the mode. The mean of the data set is 5, the median is 4, and the range is 7.

SOURCE: NF:093

SOURCE: Cherry, K. (2020, March 24). *How to identify and calculate the mean, median, and mode*. Retrieved February 8, 2022, from <https://www.verywellmind.com/how-to-identify-and-calculate-the-mean-median-or-mode-2795785>

80. B

Inspection. Quality inspection is a process businesses use to check for defects after products have been produced. The scenario is an example of quality inspection because the toy manufacturer checks a sample of its already produced toys before every shipment to ensure the quality of them. Quality assurance is a process businesses use to prevent defective products from being created, not just to eliminate or correct them after they've already been produced. Quality guarantee and quality scanning are fictitious.

SOURCE: OP:189

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

81. C

Integrity. It's difficult to run an ethical business without ethical employees. Businesses should make integrity an important characteristic during the hiring process. Integrity means adhering to an established set of ethics and sound moral principles at all times. Transparency is the quality of being open and truthful when communicating. Accountability means accepting responsibility for your decisions. Viability is the long-term value of your choices.

SOURCE: OP:190

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

82. C

Accountability. The manager taking full responsibility for their mistake and acting quickly to get the project back on track most demonstrates the ethical principle of accountability. Accountability is accepting responsibility for your decisions. Respect is regard or esteem, and it entails honoring the rights, freedoms, views, and property of others. Fairness is the ability to make judgments without favoritism or self-interest, as well as engaging in fair competition and creating equal relationships. Trust is the ability to rely on the character, integrity, or truthfulness of something or someone.

SOURCE: OP:675

SOURCE: LAP-OP-675—Projects With Principles (Ethics in Project Management)

83. B

Motivates team members. Showing progress and giving team members tangible evidence or proof of their hard work keeps them encouraged as they continue to work throughout the course of the project. Monitoring projects does save time and resources, but that benefit does not relate to this specific example. This is not an example of how monitoring projects is often unsuccessful. Finally, this is not an example of how monitoring projects includes creating a budget.

SOURCE: OP:520

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

84. B

Determining lessons learned. Lessons learned include what went well, what didn't go well, and how to improve in the future during the course of a project. Eva is determining lessons learned when she evaluates her project and realizes that in the future, she will need to spend more time on citing sources. Eva is not communicating with stakeholders, gathering financial data, or determining what to evaluate in this situation.

SOURCE: OP:521

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

85. A

Greater quality control. Project management refers to the skills, tools, and processes used to plan, execute, and control the elements of a project. Businesses may enjoy many benefits by implementing effective project management, including the ability to implement greater quality control. Other benefits of effective project management include making more profitable decisions, improved customer satisfaction, and accomplishing goals within a specified time frame. Project creep (the scope of the project slowly getting bigger and bigger) and difficulty assessing risk are two common challenges businesses face with project management. Other challenges include lack of monetary resources and human resources. Less teamwork and more independence are not considered a benefit of effective project management. While employees may improve their independent work rate, a benefit of effective project management is a greater emphasis on teamwork and communication.

SOURCE: OP:158

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

86. A

Determine if the supplier sent the right quantity of items. When evaluating supplier performance, a purchasing specialist is responsible for reviewing the order and determining if the supplier followed through on its promises. This includes checking to see if the supplier sent the right items in the right quantity and quality. Renegotiating the price after delivery would be inappropriate. Assigning the supplier a letter grade for its performance could work for some businesses but is not a widespread practice. A purchasing specialist should speak to the supplier's references to review its credentials prior to placing an order.

SOURCE: OP:015

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

87. D

It is used to meet specific or short-term market needs. A batch production process is the production of items in specific amounts, or batches, and is often used to meet specific or short-term market needs. Unit production is the production of one item at a time or items in small quantities. Mass production is the rapid production of large quantities of a product. A continuous production process is a production process that turns out products without stopping.

SOURCE: OP:017

SOURCE: LAP-OP-017—Can You Make It? (Nature of Production)

88. D

Undergoing a series of internal and external audits. ISO 9000 is a set of quality-management standards developed and published by the International Organization for Standardization and used by millions of organizations worldwide. The ISO 9000 quality-management standards are flexible enough to be used in virtually any type of business or organization. Organizations can become certified in certain ISO 9000 standards by undergoing a number of internal and external audits. Regular monthly payments, reaching a certain level of profitability, and being a privately owned organization are not part of or qualifications for the ISO 9000 certification process.

SOURCE: OP:163

SOURCE: LAP-OP-163—Take Control (Quality-Control Measures)

89. A

Gross profit. A company's gross profit, or the revenue it makes after subtracting the costs of the products it has sold, is a good indicator of how well the company is keeping its costs under control. Economies of scale happen when a business creates enough of a product to spread out and dilute its fixed costs. The break-even point occurs when a company's total expenses equal its total sales. Total cost is the sum of the overhead and direct costs required to create a product.

SOURCE: OP:024

SOURCE: LAP-OP-024—Watch Your (Over) Head (Overhead/Operating Costs)

90. D

Managing their time and work. Employees can help control a business's expenses by managing their time and work. Employees can control payroll costs by making sure that they start work on time, work their full hours, and only take breaks and paid leave that have been authorized by their employers. In addition, employees need to accomplish as much as they can while they are working, and they can do this by avoiding distractions, keeping their work organized, and prioritizing their tasks so that important work gets done first. Employees should focus on quality over quantity, not vice versa. In the long run, it's less costly to the business if its employees take a little longer to do a quality job than if they focus strictly on how much work they can get done. An employee should help keep utility costs at a minimum by turning off lights in rooms no one is using, shutting down equipment not in use, and closing outside doors completely to conserve warm or cold air. Rather than frivolously spending on business travel, employees should use expense accounts responsibly by not overspending on dining, airfare, or hotel costs.

SOURCE: OP:025

SOURCE: LAP-OP-025—Buck Busters (Employee Role in Expense Control)

91. A

Hygiene routine. Hygiene is the habits and practices of cleanliness and care you perform regularly to take care of yourself and your body. Failing to practice good hygiene can negatively impact your health and can cause others to form a poor opinion of you. No matter what your job is or where you work, there are certain things that you must always do to maintain your personal appearance. These hygiene tasks include trimming your fingernails, wearing freshly laundered clothing, and applying deodorant. Tasks like trimming your fingernails, wearing freshly laundered clothing, and applying deodorant are not tasks associated with exercise or sleep. Self-concept refers to how one sees themselves.

SOURCE: PD:002

SOURCE: LAP-PD-002—Brand Me (Personal Appearance)

92. B

Effective. Tom's decision to skip out on trivia night to be well prepared for an important sales pitch is an example of an effective goal. An effective goal is a goal that takes priority over other activities. Putting your goals first can require you to make some tough choices and may result in choosing between a goal and a distraction. Tom made the tough choice to skip out on trivia night, which is considered a distraction, so he could accomplish his goal of being well prepared for his important sales pitch. A SMART goal is a goal that helps you identify exactly what it is you want to achieve and helps you know for sure when you've achieved it. SMART goals are specific, measurable, attainable, results-oriented, and time-bound goals. Learning goals are goals that involve mastery of a new skill. Performance goals are goals that are described by the level of performance reached or by a task completed.

SOURCE: PD:018

SOURCE: LAP-PD-918—Go for the Goal (Goal Setting)

93. C

A smartphone being advertised as a source for gaming. Positioning innovation is a type of innovation that occurs when the purpose of a product is changed. In positioning innovation, the product itself remains the same, but it is marketed differently because the company is focused on changing the customer's perception of its product. Companies often use this type of innovation when their products are struggling in sales in the midst of changing markets and customer needs. Because a smartphone is being advertised as a source for gaming—in addition to its regular functions of texting, calling, the use of social media apps, etc.—it is an example of positioning innovation. A company releasing a new version of a smartphone is an example of product innovation—when a business either creates or improves a product. A business implementing an assembly line for production is an example of process innovation—when a business changes a method or how something is done. A meeting being held on a virtual software rather than in person is an example of paradigm innovation—a type of innovation that is a significant change in the way a product is viewed by users and society at large.

SOURCE: PD:126

SOURCE: LAP-PD-126—Ideas in Action (Innovation Skills)

94. B

Intuitive. Intuition is the ability to rely on your own instincts or inner reasoning, often referred to as a "gut feeling." Therefore, the intuitive problem-solving method relies on gut feelings and flashes of insight. This method still requires you to gather all of the information about the problem, but instead of going over and over it, intuitive problem solvers simply wait by setting the problem aside or sleeping on it. While they go about their daily business, their subconscious mind is at work. The solution to the problem appears in the form of an intuitive flash or a hunch. Because Rebecca went on with her day and came up with a solution thanks to a flash of insight, she used the intuitive method of problem-solving. Brainstorming is a problem-solving method in which a group throws out possible solutions to the problem during a specific period of time. Mind mapping is a problem-solving method that organizes ideas and information graphically, using shapes, pictures, and words. It typically involves drawing out your problem on a large sheet of paper or a board. The seven-step method requires problem solvers to follow a specific process for solving problems.

SOURCE: PD:077

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

95. D

Determine which tasks are important and urgent. Time management is the process of controlling events to accomplish priorities. There are several general principles of time management, including that you should determine which tasks are important and urgent. Not every task is the same. Some can be categorized as important, which means they are essential for achieving your goals, while urgent tasks are those that demand immediate attention. Identifying which tasks are important and which are urgent can help you better manage your time throughout the workday. Another general principle of time management is to focus on goals, not on tasks, which can help keep you focused on the bigger picture. Dividing large projects into smaller parts is another principle, as smaller deadlines for yourself along the way can help you stay on task. Instead of taking on several challenging projects at once, you should follow the principle of not biting off more than you can chew. Taking on too many challenging projects at once can leave you stressed or overwhelmed and can spread you too thin, which will prevent you from giving your best effort and can lead you to rush tasks.

SOURCE: PD:019

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

96. B

They work to grow and expand their businesses. An entrepreneur is an individual who identifies an opportunity to create new value, develops and offers a unique product, assumes the risks of starting and building a business, focuses on the improvement and growth of that business, and receives personal and financial rewards for their efforts. Entrepreneurs work to grow and expand their businesses, while small-business owners are generally content to keep their business operations small and employ less than 500 employees. Small-business owners own a business venture to generate income without intentions of growing or expanding the business. Managers are responsible for planning, organizing, staffing, directing, and controlling the work of others in a systematic way. Managers handle day-to-day tasks to make entrepreneurs' visions a reality.

SOURCE: PD:066

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

97. C

Leave policy. Leave policies describe how many days of paid and/or unpaid leave employees are entitled to. If Maria wants to review her company's rules surrounding paid time off, she should review the company's leave policy. A dress code outlines what is and isn't appropriate to wear to work. A code of conduct is a set of rules describing how individuals within a certain organization are expected to act. Health and safety policies are designed to protect employees and customers from harm.

SOURCE: PD:250

SOURCE: LAP-PD-250—Do You Follow? (Adhering to Company Protocols and Policies)

98. A

Verbal warning. A verbal warning is a common consequence for a first-time or minor offense at work. A written warning is often used when an infraction is slightly more severe or if a verbal warning has already been given. If an infraction is serious or if you have breached conduct multiple times without attempting to fix your behavior, you might be suspended from school, work, or other organizations for a certain period of time. The most serious offenses can lead to expulsion or termination of your position.

SOURCE: PD:251

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

99. C

Phoebe's manager asks her to blame a colleague for her mistakes. Phoebe's manager is asking her to do something unethical, so she should bypass the chain of command by contacting the company's human resources department. There are several exceptions in which it's important not to follow the chain of command. If you witness your boss participating in an illegal or unethical activity, it may be a good idea to report the behavior directly to HR. You should report to the person who is directly above you in the chain of command whenever you have a question, concern, or idea. Even if you believe your manager may not know the answer, they should be able to point you in the right direction. Orlando, Shiloh, and Bilaal should all follow the chain of command in their situations.

SOURCE: PD:252

SOURCE: LAP-PD-252—Don't Cheat the Chain (Following Chain of Command)

100. D

Conceptual. Managers need to be able to see the “big picture” and understand how the organization’s various parts are interrelated. Conceptual skills enable individuals to understand complicated ideas and come up with creative solutions. While interpersonal, technical, and intrapersonal skills are all important in management, they are not described here.

SOURCE: SM:001

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