

PRINCIPLES OF BUSINESS ADMINISTRATION TEST

1. The relationship between a creditor and a debtor is usually based on the debtor's
A. ability to pay. C. type of account.
B. billing schedule. D. pricing method.
2. Which of the following often is a characteristic of a governmental agency's relationship with businesses:
A. Promotional C. Legislative
B. Regulatory D. Managerial
3. What do business owners consider when they select a business ownership structure?
A. Product versatility, financial needs, and advertising strategies
B. Personal circumstances, financial needs, and the type of business
C. Personal circumstances, type of business, and product mix
D. Product versatility, advertising strategies, and personal circumstances
4. To enunciate when speaking to customers means to
A. pronounce words clearly. C. run words together.
B. talk slowly. D. talk fast.
5. What is it important to do when giving verbal directions to make sure the audience understands?
A. Explain information. C. Use gestures.
B. Maintain eye contact. D. Ask questions.
6. Which of the following is a reason why it is important to organize information before preparing a business report:
A. To investigate the cause of the problem C. To identify the target audience
B. To understand the purpose of the report D. To arrange findings in a logical manner
7. Which of the following is a formatting characteristic of a full-block business letter:
A. Double-spacing within the paragraph C. Indented first paragraph
B. No paragraph indents D. All paragraphs use right justification.
8. When writing e-mail messages to businesspeople, it is best to avoid using
A. modifiers. C. initialisms.
B. conjunctions. D. antonyms.
9. Which of the following are characteristics of a well-written executive summary:
A. Concise, informal, and error-free C. Creative, concise, and informal
B. Error-free, simple, and creative D. Clear, concise, and error-free

10. Businesses whose employees demonstrate a customer-service mindset often benefit from

- A. reduced complaints. C. rapid employee turnover.
- B. increased costs. D. decreased employee morale.

11. Why should employees possess adequate product knowledge in order to handle customers' inquiries?

- A. To develop promotions C. To plan effectively
- B. To organize inventory D. To sell successfully

12. Joseph, who has been trained to handle difficult customers, is approached by a customer who is argumentative, complaining, and insulting. What type of difficult customer has approached him?

- A. Disagreeable C. Suspicious
- B. Dishonest D. Indecisive

13. When a customer complains about a product, the employee should

- A. ask another employee to handle the situation.
- B. defend herself/himself.
- C. ask the manager to answer the complaint.
- D. handle the complaint according to company policy.

14. When a business publicly pledges to provide all of its customers with quick, courteous service, it is

- A. establishing product position. C. stating industry policies.
- B. developing a campaign platform. D. making a brand promise.

15. One way of reinforcing the company's image through employee performance is by making sure employees have

- A. generous pay and benefit plans. C. thorough knowledge of the products.
- B. comfortable work stations. D. full access to customer databases.

16. A person who decides to see a movie at a theater is satisfying a(n) _____ want.

- A. tangible C. economic
- B. unlimited D. noneconomic

17. Which type of utility is being described in the following situation: The local campground sells marshmallows, matches, hot dogs, etc.

- A. Time C. Place
- B. Possession D. Form

18. Manufacturers try to produce goods in response to

- A. producer demand. C. consumer demand.
- B. product utility. D. environmental factors.

19. Who gets the goods and services produced in a market economy?
- A. Whoever obtains the most information and incentives
 - B. Whoever has the least costs
 - C. Whoever is most efficient
 - D. Whoever is willing and able to pay the price
20. What usually results when business operations and procedures are efficient and economical?
- A. Consumer prices are raised in order to increase profits.
 - B. Consumers can buy quality products at competitive prices.
 - C. More equipment is needed to produce finished products.
 - D. Monopolies give all businesses a greater share of the market.
21. The owner of a small company decides to stock a new product. Which business activity should the owner use to inform potential customers about the new product?
- A. Marketing
 - B. Finance
 - C. Management
 - D. Production
22. Which of the following is an example of an economic factor that affects the business environment:
- A. Employee morale
 - B. Business cycle
 - C. Management style
 - D. Long-term goals
23. Businesses that successfully adapt to current market situations often realize that
- A. diversification is the key.
 - B. more financing is necessary.
 - C. change is an opportunity.
 - D. cutting costs is important.
24. Given the following data, calculate the net profit for the firm: 1,000 units sold; selling price per unit, \$5; cost per unit, \$4; and operating expenses, \$.50 per unit.
- A. \$3,000
 - B. \$1,000
 - C. \$500
 - D. \$5,000
25. Which of the following is an example of a way in which businesses compete:
- A. By improving goods and services
 - B. By offering tying agreements
 - C. By operating as monopolies
 - D. By owning private property
26. The costs of government regulation of business are paid for through
- A. prices.
 - B. interest.
 - C. taxes.
 - D. tariffs.
27. Businesses that allow their employees to set their own schedules are offering
- A. flextime.
 - B. job sharing.
 - C. time off.
 - D. part-time status.
28. A worker who sorts all of a business's mail every day is performing a task that has
- A. high depth and high scope.
 - C. low depth and high scope.

- B. high depth and low scope. D. low depth and low scope.

29. In which of the following situations would consumers' purchasing power decrease:

- A. Federal income-tax rates decrease by 1/2%. C. Take-home pay remains at a constant level.
B. Pay raise is 5% and inflation rate is 6%. D. Interest rates decrease from 8% to 7%.

30. Jerry bought a new bicycle with special tires. In economic terms, the tires on this bike are considered

- A. accessory items. C. intermediate products.
B. capital goods. D. uncounted production.

31. A decrease in the value of the U.S. dollar will

- A. improve foreign trade for the U.S. C. increase U.S. imports.
B. lower the stock market. D. lower the gross domestic product.

32. Which of the following factors is most likely to cause a country's currency value to fall:

- A. Standards C. Decentralization
B. Rapid inflation D. Fewer exports

33. Which of the following is a true statement about emotional intelligence:

- A. Emotional intelligence is less important than traditional intelligence.
B. Emotional intelligence means ignoring your emotions.
C. Emotional intelligence means being an emotional person.
D. Emotional intelligence can be defined in different ways.

34. A marketing class was asked to close their eyes and to imagine themselves in possession of a present or desired strength. This activity is an example of which of the following:

- A. Affirmation C. Self-concept
B. Self-esteem D. Visualization

35. Ms. Richard is a supervisor who practices a democratic style of leadership. Which of the following would she be most likely to do when managing her employees:

- A. Talk over possible solutions to work-related problems with employees
B. Permit employees to function independently
C. Handle all major work-related problems and decision making
D. Seldom ask employees for their ideas

36. Which of the following is an example of nonverbal communication that shows a person's level of enthusiasm:

- A. Facial expression C. Manner of speaking
B. Reading ability D. Listening skill

37. An employee who consistently arrives at work late is acting
A. rationally. C. responsibly.
B. irresponsibly. D. irrationally.
38. Mark told his supervisor that he was the one who had dented the company truck. Mark is exhibiting his
A. honesty. C. skills.
B. empathy. D. independence.
39. A customer who is very angry about a mistake in an order is yelling at Mark on the telephone. Self-control will help Mark to handle the situation by
A. finding out who made the mistake. C. listening without interrupting.
B. stopping the customer's angry speech. D. preventing the mistake from recurring.
40. Even though criticism may be unpleasant to hear, you can benefit from it in the future if you
A. learn not to take criticism seriously.
B. learn to ignore others' critical remarks.
C. change yourself to conform to others' suggestions.
D. change any of your behavior that needs improvement.
41. A future change we can expect is that the number of jobs that call for unskilled workers will
A. decrease substantially. C. increase sharply.
B. remain the same. D. increase slightly.
42. Bruce is upset about losing a lot of work when the computer system went down. Emily had the same experience a few days ago, so the most effective way for her to express empathy for Bruce is by
A. telling Bruce what happened to her. C. warning others about the computers.
B. asking Bruce how he is feeling. D. determining the cause of the problem.
43. When you use persuasion, you often try to get people to
A. understand their behavior. C. ignore the rights of others.
B. express their opinions. D. agree on a plan of action.
44. Which of the following types of behavior is considered the most desirable:
A. Assertive C. Passive
B. Aggressive D. Avoidance
45. What kind of team would take full responsibility for an entire line of products?
A. Quality circle C. Project team
B. Work team D. Short-term committee
46. In which of the following places could you find consensus building in action:

- A. Online poll C. Courtroom
- B. Voting booth D. Suggestion box

47. One way to motivate team members to work together is to develop a(n) _____ for the team.

- A. meeting schedule C. clear mission
- B. grievance procedure D. operating manual

48. People adapt to new situations by _____ their behavior.
- A. overlooking C. inventing
 - B. justifying D. adjusting

49. Coaching in business often involves helping other people to improve their _____.
- A. character. C. enthusiasm.
 - B. lifestyle. D. performance.

50. What is an example of illegal conduct on the job?
- A. Arriving late C. Sleeping
 - B. Reading the newspaper D. Sexual harassment

51. What do business managers often need to do to maintain collaborative partnerships with colleagues?
- A. Be enthusiastic C. Evaluate feedback
 - B. Recognize stereotypes D. Resolve conflicts

52. Legal ownership of purchases does not pass to the purchaser until all payments have been made if the purchaser uses _____ credit.
- A. revolving C. regular
 - B. installment D. trade

53. What type of financial records do businesses need to maintain in order to keep track of their transactions?
- A. Operating procedure C. Payroll information
 - B. Tax identification D. Accounts receivable

54. One reason why ethics is important in accounting is because financial records can be _____.
- A. interpreted in different ways. C. reviewed by government agencies.
 - B. made available to the public. D. communicated in writing.

55. The role of finance in business often involves _____.
- A. paying employees. C. buying supplies.
 - B. obtaining funds. D. monitoring expenses.

56. What do many businesses develop to encourage ethical behavior in finance?
- A. Standards C. Sanctions

- B. Punishments D. Penalties

57. How is a budget like a tree?

- A. A budget changes from season to season.
B. A budget is supported by strong sales like a tree is supported by strong roots.
C. A budget requires care and nurturing, like a young tree.
D. A budget is divided into categories and subcategories similar to tree branches.

58. One reason why human resources management is important to the success of a business is because this process is responsible for

- A. eliminating turnover. C. creating jobs for the company.
B. staffing the business. D. reducing compensation.

59. The role of ethics in human resources management involves

- A. organizing employees into groups. C. planning the hiring process.
B. treating all employees fairly. D. using resources wisely.

60. Current employees often assist with the orientation process by helping the new employees to

- A. negotiate contracts. C. develop work skills.
B. ask questions. D. learn their jobs.

61. Most automobile salespeople try to get an idea of what price range the potential customer can afford. This is part of which of the following marketing functions:

- A. Distribution C. Selling
B. Pricing D. Marketing-information management

62. Determining the target market's buying behavior involves finding out

- A. how the market is organized. C. what the market will purchase.
B. where the market is located. D. why the market exists.

63. Which of the following is a way in which a business communicates with its target market:

- A. Operating procedures C. Personal selling
B. Inventory D. Budgeting

64. One way for businesses to obtain needed information efficiently is to

- A. access a database. C. read a book.
B. schedule an interview. D. contact a competitor.

65. Determining if data are accurate and current is an example of a business evaluating the

- A. type of statistics. C. quality of information.
B. research procedure. D. hardware application.

66. One of the roles of ethics in information management involves an individual's right to

- A. equity. C. dignity.
- B. safety. D. privacy.

67. One reason an existing business might develop a company web site is to

- A. lower tax rates. C. create a new revenue source.
- B. reduce marketing expenses. D. increase its product mix.

68. What do businesses often develop to be able to store and analyze data for the purpose of making business decisions?

- A. Information systems C. Survey methods
- B. Operating procedures D. Management policies

69. What type of software program would a cruise line use in order to maintain a list of recent passengers and their cabin preferences?

- A. Communication C. Database
- B. Spreadsheet D. Word processing

70. Computer programs that allow businesses to manage all types of activities, such as inventory control and finance, are known as

- A. wireless connectivity programs. C. interactive information display packages.
- B. electronic communications programs. D. integrated software application packages.

71. When creating and posting Web pages, businesses often use _____ programs.

- A. Web editing C. communications
- B. desktop publishing D. Internet access

72. How long are businesses required to keep their records?

- A. Varies greatly C. Indefinitely
- B. On a seasonal basis D. One year

73. A firm's environmental scan reveals that a country is on the brink of civil war, which would affect the firm's ability to do business in the country. This is an example of a(n) _____ consideration.

- A. technical C. cultural
- B. economic D. political

74. What do businesses often analyze when making decisions about how to improve the company?

- A. Training methods C. Information skills
- B. Statistical findings D. Privacy factors

75. What are the day-to-day activities required for a business to function?

- A. Production C. Finances
- B. Operations D. Selling

76. Health and safety regulations in business usually require businesses to

- A. purchase fireproof supplies. C. hold regular safety meetings.
- B. inspect office facilities. D. report workplace accidents.

77. To prevent accidents from happening in the aisles of a business, employees should

- A. be sure that there is proper lighting. C. install lighted signs.
- B. keep the aisles clear. D. warn customers to be careful.

78. Henry works in a business's receiving room. While working, Henry was lifting and setting down heavy boxes when he experienced back and abdominal pain. What type of workplace injury did Henry receive?

- A. Closed wound C. Sprain
- B. Strain D. Open wound

79. One of the most important aspects of project management involves

- A. training employees. C. buying supplies.
- B. setting goals. D. identifying mistakes.

80. What is the best way to get an accurate picture of what it will cost to do the project?

- A. Find out what is free. C. Compare prices.
- B. Prepare a budget. D. Ask an advisor.

81. Which of the following is a technique that a business might use to evaluate the results of a project it completes for a customer:

- A. Analyze a project proposal C. Organize the management team
- B. Prepare a satisfaction survey D. Determine the contract criteria

82. Which of the following individuals chooses goods for resale, surveys consumer trends, and rates past performance of products and vendors:

- A. Marketing-research specialist C. Receiving manager
- B. Product manager D. Retail buyer

83. A concern that businesses would most likely have regarding minimum order sizes from suppliers is that larger orders

- A. are more expensive and often affect wages.
- B. call for more time from employees to handle shipments.
- C. often result in unfair treatment of employees.
- D. usually require businesses to hire untrained employees.

84. Why do businesses often evaluate vendor performance after orders have been delivered?

- A. To organize the receiving areas C. To negotiate future discounts
- B. To establish product specifications D. To identify the most capable suppliers

85. A business that relies on the skills of many workers to perform production tasks is using a(n) _____ process.

- A. assembly line C. mass-production
- B. labor-intensive D. capital-intensive

86. Which of the following might result if employees incorrectly mark prices on goods:

- A. Suppliers reduce shipments. C. Insurers decrease premiums.
- B. Businesses lose profits. D. Creditors lower interest rates.

87. Many retailers maintain their stockrooms in an orderly manner by arranging goods according to

- A. price. C. category.
- B. quality. D. vendor.

88. Which of the following is not a reason that appropriate dress is important to your success on the job:

- A. It shows your commitment to your employer.
- B. It reflects positively on the company you work for.
- C. It sends a positive message about your personality and values.
- D. It lets you make a statement about your independence and individuality.

89. What is an important guideline to remember when establishing personal goals?

- A. Set realistic goals. C. Disregard outside assistance.
- B. Focus on the negative. D. Make sure your goals are vague.

90. An important problem-solving skill for individuals to have is the ability to be

- A. economical. C. objective.
- B. aggressive. D. judgmental.

91. People who understand themselves and their unique skills and abilities usually are able to choose appropriate

- A. traits. C. careers.
- B. friends. D. talents.

92. Which of the following is the most reliable source of information regarding an employer's general expectations in the workplace:

- A. Coworkers C. Company policy manual
- B. Interoffice correspondence D. Company web site

93. Which of the following is an example of a right that workers should expect to have in the workplace:

- A. Access to company information C. Unlimited personal time

- B. Flexible work schedule D. Freedom from discrimination

94. Which of the following often is the best source of information about job leads:

- A. Occupational Outlook Handbook C. Business advisors
B. Family and friends D. Bureau of Labor Statistics

95. What type of skills are extremely important for an applicant to use effectively during an employment interview?

- A. Management C. Communication
B. Occupational D. Educational

96. Identify the weakness of the following opening paragraph used in a letter of application: Your recent advertisement in the Gazette for a customer service representative is of interest to me. I would like to apply for the position.

- A. Punctuation C. Grammar
B. Format D. Spelling

97. Why do job applicants use headings on their résumés?

- A. To ensure that the information is accurate and concise
B. To organize the information so that it is easy to read
C. To follow the standard practices for résumé preparation
D. To show the employer that the résumé provides complete information

98. Being a volunteer for a nonprofit organization is one way that an individual can participate in activities that are similar to

- A. having paid work experience. C. monitoring a training program.
B. joining a trade association. D. attending an employment seminar.

99. Which of the following often presents an opportunity for current employees to be considered for a promotion:

- A. Career is being revised. C. Occupation is high paying.
B. Entry-level job is available. D. New position is created.

100. A manager studies the business's previous sales statistics as well as the sales forecast before making purchasing decisions. What type of resource is the manager using?

- A. Human C. Information
B. Financial D. Material

PRINCIPLES OF BUSINESS ADMINISTRATION TEST KEY

1. A

Ability to pay. The relationship between a creditor and a debtor is usually based on the debtor's ability to pay the creditor the amount that is owed. Businesses offer credit to increase sales; however, they expect customers to repay the debt. Therefore, creditors usually base their decision to offer credit to those who they believe have the ability to pay. Creditors establish a billing schedule and pricing method. They also determine the type of account to offer debtors. These factors do not influence the relationship.

2. B

Regulatory. Governmental agencies often have regulations that businesses are required to follow. These regulations may affect how the business operates, how it deals with consumers, and how it reports income. As a result, the agency's relationship with businesses is primarily one of enforcing rules and regulations. Governmental agencies do not assist a business with promotional activities. Agencies are not legislative bodies, i.e., they do not enact laws. The agencies do not manage businesses.

3. B

Personal circumstances, financial needs, and the type of business. Because each business owner's situation is unique, the owner must consider the type of business being operated, the amount of capital that is needed to start the business, and the owner's personal circumstances. For example, an independently wealthy, single person who starts a consulting business has different needs than a chef who has little capital and wants to open a full-service restaurant. Product versatility, advertising strategies, and product mix are not generally considered when determining the appropriate business ownership structure.

4. A

Pronounce words clearly. To enunciate means to create clear sounds and to correctly pronounce words. The speed at which words are pronounced may be fast or slow, but words need to be spoken distinctly, not run together.

5. D

Ask questions. When giving verbal directions, it is important to regularly ask questions to make sure the audience understands the directions. Asking if listeners understand a certain word or phrase will provide feedback that indicates understanding. Many times, listeners will not admit that they do not understand, and the only way to find out is to ask questions. Maintaining eye contact, using gestures, and explaining information are techniques for giving verbal directions. However, they will not indicate if the audience understands the directions.

6. D

To arrange findings in a logical manner. Before preparing a business report, it is important to organize the information so the findings are arranged in a logical manner. The facts and findings

should be presented in a logical manner so readers will be able to understand the message. If the information is out of order, the message may not be clear. Before the information can be organized, it is necessary to understand the purpose of the report, identify the target audience, and investigate the cause of the problem.

7. B

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

8. C

Initialisms. An initialism is an abbreviation for a word—a modern form of shorthand that is commonly used when writing informal messages, such as e-mail and text messages. Some businesses and industries use initialisms as part of their organizational culture. Examples of initialisms include FYI (for your information), 2L8 (too late), and LOL (laugh out loud). Because many people do not use or understand initialisms, it is best not to use them when writing professional e-mails. A conjunction is a word that connects two words or phrases (e.g., and, or, but). A modifier is an adjective or adverb. An antonym is a word that means the opposite of another word (e.g., hot, cold).

9. D

Clear, concise, and error-free. An executive summary is a section of a formal report that highlights the most important information that appears in the body of the document. A well-written executive summary should be clear, concise, and error-free. An executive summary should be easy to read and simple to understand. Because an executive summary is part of a formal report, it should follow a formal format. An executive summary does not need to be creative—its primary purpose is to inform the reader about essential facts.

10. A

Reduced complaints. Handling complaints costs businesses money because of the time involved, the possible loss of business, and refunds to customers. Customers who receive excellent service are less likely to have complaints. Rapid employee turnover, increased costs, and decreased employee morale are not benefits to businesses.

11. D

To sell successfully. Employees are expected to possess adequate knowledge of company products, policies, and capabilities in order to handle customers' inquiries. The main reason why it is important for employees to possess this information is to be able to sell successfully. Customers often have questions about products that employees need to answer in order to make the sale. Employees who are knowledgeable and well informed usually can sell successfully because they are able to handle customers' inquiries. Developing promotions, organizing

inventory, and planning effectively usually are not the responsibilities of employees who regularly handle customers' inquiries.

12. A

Disagreeable. Disagreeable customers are clients who are unpleasant and hard to help because they are argumentative, complaining, irritable, moody, insulting, impatient, and/or have a leave-me-alone attitude. Indecisive customers frequently have great difficulty in making a choice or buying decision. Dishonest customers intentionally attempt to avoid paying part or all of the price for a product. Suspicious customers doubt or question everything and may want facts and proof before being convinced something is true.

13. D

Handle the complaint according to company policy. Over 90% of customer complaints can easily be corrected immediately by the employee, who should never argue with a customer. Occasionally, a fellow worker can be of assistance, but few customer complaints need to be handled by a manager.

14. D

Making a brand promise. A brand promise is a business's agreement, spoken or unspoken, with customers that it will consistently meet their expectations and deliver on its brand characteristics and values. In the example, the brand promise is to provide all customers with quick, courteous service. Developing a campaign platform, stating industry policies, and establishing product position are not activities in which a business is making a pledge or promise to customers.

15. C

Thorough knowledge of the products. Employees have the most contact with customers and are the ones who often project the image of the company. Employees can reinforce a positive image by having thorough knowledge of the business's products so they can effectively explain the products to customers. Well-informed employees are able to answer questions correctly and reassure customers that they are making the right buying decision. On the other hand, poorly-informed employees project a negative image because they do not have a thorough knowledge of the products. Employees do not reinforce the company's image by having comfortable work stations, generous pay and benefit plans, or full access to customer databases.

16. C

Economic. An economic want is something that you desire that has a monetary value. Seeing a movie would have a monetary value attached to it. A noneconomic want is a desire for something that has no monetary value, such as friendship. Wants are unlimited because everyone has them, they change, and people are not able to obtain enough resources to satisfy all of their wants. A tangible want is the desire for something that is a physical object.

17. C

Place. Place utility involves making goods and services available at the place (location) they are wanted or needed by consumers. Form utility occurs when the shape or form of a product is

altered in order to make it more useful to consumers. Possession utility is created when the ownership of a product is transferred from the seller to the person who will use it. Time utility occurs when products are made available at the time they are wanted or needed by consumers.

18. C

Consumer demand. When demand for a product is high, production is increased to ensure that adequate quantities are available for sale. When demand is low, production is cut back to prevent the possibility of loss from surplus products that cannot be sold at prices high enough to cover the costs of production. The utility, or usefulness, of a product helps to create consumer demand for that product. Demand may, or may not, be affected by factors in the environment.

19. D

Whoever is willing and able to pay the price. Prices ration limited resources, goods, and services to those most willing to pay for them. Costliness, efficiency, and availability of information affect prices but do not determine who gets goods and services.

20. B

Consumers can buy quality products at competitive prices. Businesses that are socially responsible focus on ways to improve their operations so that they can meet the needs of consumers while minimizing their own costs. This also maximizes the company's profits so that raising prices may not be necessary. A monopoly exists when a market is controlled by one supplier, and there are no substitute products readily available. An efficient business would produce more products with the equipment it has, rather than having to buy more.

21. A

Marketing. Marketing is the process of creating, communicating, and delivering value to customers and managing customer relationships in ways that benefit the organization and its stakeholders. The marketing process provides consumers with a variety of goods and services from which to choose. Finance involves obtaining and using funds. The management process includes coordinating necessary resources to meet the day-to-day and long-term business operations. Production includes combining the human, natural, and capital resources to produce the desired goods or services.

22. B

Business cycle. The business environment is the situation or set of circumstances in which a business operates. The business environment is affected by economic factors, such as the business cycle. Business cycles are periods of expansion and contraction in economic activities. For example, when a nation is experiencing a recession, the business cycle is contracting. Decreased consumer spending is a characteristic of a recession. A recession affects the business environment because consumers have less money to spend for the goods and services that the businesses offer. Employee morale, management style, and long-term goals are internal factors that can affect the way the business functions, but they are not economic factors.

23. C

Change is an opportunity. Markets change over time, and today's market is different than the market that existed several years ago. To be successful, businesses need to adapt to current market situations. Those that are able to do this realize that change is an opportunity, a favorable means to meet an objective. Many businesses respond to new market situations by improving products or developing new ones, or by revising the way they serve customers. It is not always necessary to obtain more financing, diversify, or cut costs. However, these may be ways that businesses adapt to new markets.

24. C

\$500. In order to calculate the amount of net profit, it is necessary to determine the firm's total revenue from sales and total costs and expenses. Total revenue is price x quantity sold; total cost is cost per unit x units sold, plus total operating costs. In this example, total revenue is \$5,000 ($\$5.00 \times 1,000 = \$5,000$), and total cost is \$4,500 ($\$4.00 + \$0.50 = \$4.50$; $\$4.50 \times 1,000 = \$4,500$). Subtract total cost from total revenue to calculate net profit ($\$5,000 - \$4,500 = \$500$).

25. A

By improving goods and services. Competition is the rivalry between two or more businesses to attract scarce (limited) customer dollars. Businesses improve their goods and services in order to be more competitive. They feel that the company which best satisfies consumers will be the most successful company. There is no competition between monopolies because a business that is a monopoly controls the market. Tying agreements, in which customers must buy other goods in order to get what they want, are illegal because they restrict competition. Owning private property is not generally a factor in competition.

26. C

Taxes. The government's main source of revenue is from businesses and individuals in the form of different kinds of taxes. Businesses give government the income and social insurance taxes collected from employees and excise taxes collected from customers. Businesses pay tax directly to the government on their income and property. Raising or lowering interest rates is used to regulate the flow of money in our economy. Prices are the amounts of money paid for goods and services. Tariffs are taxes only on imported goods.

27. A

Flextime. Workers are most productive when they can work at a time that best fits their home life or other responsibilities. Therefore, some businesses offer flexible working hours, or flextime, that allow employees to work at a time that is convenient for them. Job sharing is a system that allows two workers to share one job and divide the working hours between them. Time off involves an employee's using vacation, personal, or sick leave to be away from the job. Part-time status involves working fewer than the number of hours per week usually considered necessary for full-time employment.

28. D

Low depth and low scope. Scope is the number of different operations you do on the job and the frequency with which you do them. Depth is the amount of control you have over the tasks that you do. Receiving, sending, and sorting mail are routine tasks.

29. B

Pay raise is 5% and inflation rate is 6%. When the inflation rate is higher than the percent of raise that employees receive, the purchasing power of those employees decreases. This has a negative effect on the economy because the higher inflation rate means higher prices for goods and services. Although the employees received a raise, the raise was not equal to the rate of inflation so employees actually lost purchasing power. They have more money to spend, but the goods and services they want cost more than their pay increase. When interest rates decrease, consumers' purchasing power usually increases. Consumers' purchasing power does not change if their take-home pay remains at a constant level and all other variables remain the same. A decrease in federal income-tax rates usually increases consumers' purchasing power.

30. C

Intermediate products. Intermediate products are items that are part of other finished products. They are separate items, but their cost is included in the price of the bicycle and would not be counted separately. Since tires are essential to the operation of the bicycle, they are not classified as accessory items. Capital goods are materials used in the production of goods and services. Uncounted production includes goods and services which are not sold in the marketplace

31. A

Improve foreign trade for the U.S. A decrease in the value of the dollar will improve the trade picture for the United States, because foreign customers will demand more of U.S. goods and services since they will not have to pay as much for them. Imports will decrease since U.S. dollars will not buy as much abroad, and the gross domestic product will increase because of the trade surplus. The effect on the stock market would depend on many other economic factors, but it should rise.

32. B

Rapid inflation. Most countries have their own currency. A currency value can change in relation to other countries' currency values. Many factors can affect a currency's value. When inflation rises quickly, the currency's value falls because it costs more money to buy goods and services. A weak currency tends to increase exports because other countries can buy more items with their strong currency. Standards are specifications or statements that a business uses as a basis for comparing or judging goods or services. Decentralization is a way of organizing something so that responsibility and authority are distributed among many departments or individuals.

33. D

Emotional intelligence can be defined in different ways. Although the concept has been defined in different ways, emotional intelligence is usually described as being aware of our own emotions, responding to them appropriately, and then doing the same with the emotions of other people. Emotional intelligence is not the same as being an emotional person. Nor, is it

"managing" emotions by ignoring them. Emotional intelligence may be as important as (or more important than) traditional intelligence.

34. D

Visualization. Visualization is seeing yourself as you would like to be. Affirmation is a positive statement about a present or desired strength. Self-concept is your image of yourself. Self-esteem is how you feel about yourself at any given time.

35. A

Talk over possible solutions to work-related problems with employees. A supervisor who practices a democratic style of leadership exercises a moderate degree of control over the workers. These leaders are likely to involve all workers in decision-making processes and then to share authority. An authoritarian style leader would tend to handle all major work-related problems and seldom ask others for their ideas. A laissez-faire style leader would tend to permit employees to function independently.

36. A

Facial expression. This is a form of body language which nonverbally communicates a person's thoughts and feelings. Listening skill and manner of speaking involve verbal communication. Reading ability does not relate to showing enthusiasm through nonverbal communication.

37. B

Irresponsibly. Irresponsible means not to be accountable for one's actions. A person who has a habit of reporting to work late is irresponsible. Acting responsibly means to be accountable for one's behavior. Acting rationally means to act sensibly. Acting irrationally means acting senselessly.

38. A

Honesty. Honesty is truthfulness. Mark is exhibiting his honesty by telling his supervisor the truth about what happened to the company truck. Skills are specific kinds of abilities. Empathy is the ability to put yourself in another person's place. Independence is the freedom and the ability to act without assistance.

39. C

Listening without interrupting. Not interrupting an angry customer lets the customer vent his/her anger. When the customer is finished, the employee can offer assistance. It would probably make the customer angrier if the employee tried to stop the speech. Finding out who made the mistake and preventing the mistake from recurring would be done later.

40. D

Change any of your behavior that needs improvement. Take an objective look at criticism, decide how much is valid, and use it to improve yourself. You should never change yourself just because others suggest it but only if their criticism has merit. Refusing to take criticism seriously

and ignoring it are responses that may help you to deal with it at the time but won't benefit you in the future.

41. A

Decrease substantially. In the future, we can expect fewer jobs for unskilled workers. The number of jobs for skilled workers with special training is expected to increase, and workers will need continued training in order to advance.

42. A

Telling Bruce what happened to her. In some situations, the best expression of empathy is to share your own experience that is similar to or the same as the other person's. Asking Bruce how he feels would indicate a lack of empathy. Warning others about the computers or determining the cause of the problem are conscientious but not expressions of empathy.

43. D

Agree on a plan of action. Persuasion is the ability to get people to see things your way, to do things your way, and to agree with you. When you use persuasion, you often try to get people to agree on a plan of action. An example is convincing your group of friends to attend the school play. Persuasion also involves influencing people to change their opinions or behavior rather than express their opinions or understand their behavior. When people are aggressive, they often ignore the rights of others.

44. A

Assertive. Assertive behavior is conduct based on respect for your own rights and for the rights of others. Being able to assert yourself is a skill that is important to your happiness and your career success. Aggressive behavior is conduct based on a willingness to ignore the rights of others and to take advantage of them in order to achieve personal goals. Passive behavior is conduct in which people fail to exercise their own rights and to respect their own needs. Avoidance behavior is another name for passive behavior.

45. B

Work team. A work team is a group of employees who is responsible for carrying out an entire work process. This might include all the steps in producing a product, performing a service, or running a section of the business. A quality circle is a problem-solving group of coworkers who are given work situations or problems to study and discuss in order to recommend solutions to management. A project team is a team of employees from different parts of the company who are assigned to work together on a specific project. A short-term committee has an immediate goal, such as obtaining speakers for a conference.

46. C

Courtroom. You could find consensus building in a courtroom—when a jury decides (by consensus) whether a defendant is innocent or guilty. None of the other answers—a voting booth, an online poll, or a suggestion box—demonstrates, uses, or requires an entire group's unanimous opinion.

47. C

Clear mission. Before team members can be motivated to work together effectively, they need to understand the purpose of the team and what is expected. Developing a clear mission for the team makes it possible for team members to be committed to accomplishing the mission. Having a clear mission improves teamwork and motivates team members to achieve the mission. Developing grievance procedures, meeting schedules, and having operating manuals are not ways to motivate team members to work together.

48. D

Adjusting. People who adapt to new situations are exhibiting the ability or capacity to adjust to new circumstances. When people justify their behavior, they are explaining their actions. Explanations do not necessarily make people adaptable. Invent is a term that means to create or make up. Because everyone exhibits some form of behavior, it can be adjusted but not created or made up. When people overlook circumstances, they ignore or disregard them. People who ignore circumstances are not adapting to new situations.

06

QS LAP 15—Stuff Happens

49. D

Performance. Coaching is enabling other people to reach their true potential by helping them to overcome the barriers that are keeping them from doing so. In business, coaching often involves helping others to improve their performance on the job. An effective coach points out problem areas and explains what the person could do to improve. Coaching in business does not involve helping others to improve their lifestyle, enthusiasm, or character.

41

QS LAP 7—Bring Out the Best

50. D

Sexual harassment. Federal, state, and local laws require employees to treat each other fairly. Sexual harassment is an example of illegal conduct that can cause lawsuits to be filed against both the harasser and the business. Reading the newspaper, sleeping on the job, and arriving late take time away from job performance and may result in a reprimand, but they are not illegal.

51. D

Resolve conflicts. Maintaining relationships with colleagues involves working effectively with business associates such as coworkers, customers, other managers, suppliers, etc. When dealing with a variety of people, there always are reasons for conflict to occur. Being able to effectively resolve conflicts will make it possible to maintain collaborative partnerships. For example, there

may be a conflict with a supplier and a customer because of a delayed shipment. Resolving the conflict to the satisfaction of both will maintain the relationship. Recognizing stereotypes, evaluating feedback, and being enthusiastic will not necessarily enable managers to maintain collaborative partnerships with colleagues.

52. B

Installment. Installment credit is often used to make major purchases such as cars and trucks. The title of ownership will carry the purchaser's name, but the seller may hold the title or have a claim against it until all installment payments are complete. Regular and revolving credit purchases pass legal ownership to the buyer at the time of purchase. Trade credit is credit extended by one business to another business.

53. D

Accounts receivable. Accounts receivable are the monies owed to a business by its customers. Businesses maintain financial records that include an exact listing of each transaction that occurs in the business. The records include expenses, money received, and any money owed which is referred to as accounts receivable. Businesses need to know how much money will be coming in over a period of time in order to keep track of current financial status. Tax identification, payroll information, and operating procedures are not types of financial records that businesses need to maintain in order to keep track of their transactions.

54. A

Interpreted in different ways. Accounting is the process of keeping and interpreting financial records. Because many issues and situations in business are different, it is possible to interpret financial information in different ways. Some of these interpretations may be more ethical than others. In order to interpret financial records in a way that is ethical, it is necessary to consider how others are affected by the interpretation. For example, if investors are hurt by the financial interpretation, it may be unethical. Not all financial records are made available to the public or reviewed by government agencies. Financial records often are communicated in writing; however, this is not why ethics in accounting is important.

55. B

Obtaining funds. Finance is the process of obtaining funds and using them to achieve the goals of the business. All businesses need funds to operate, so decisions about obtaining funds are very important. Businesses decide if it is necessary to borrow money, increase prices to generate more income, or take other actions to obtain funds. The role of finance in business does not involve paying employees, buying supplies, or monitoring expenses. However, finance is involved in obtaining the funds necessary to pay employees and buy supplies. Finance involves using funds to operate, such as paying expenses rather than monitoring expenses.

56. A

Standards. Ethical standards are unwritten rules that govern your behavior. Many businesses develop ethical standards that they expect employees to follow, particularly in finance. Finance is the process of obtaining funds and using them to achieve the goals of the business. Ethical

issues may arise in the process of managing money, and having ethical standards to follow helps employees make the right decisions. There may be consequences for failing to abide by ethical standards, but businesses usually do not develop specific punishments, sanctions, or penalties.

57. D

A budget is divided into categories and subcategories similar to tree branches. If the trunk of a tree were labeled expense, the main branches would be categories such as phone, auto, sales, salaries, and equipment. These branches would be further divided into smaller branches, so that the category of phone would have the subcategories of long distance, cellular, and local. A budget can exist without strong sales. A budget does not require the same kind of care and nurturing that a young tree does. And, a budget does not necessarily change from season to season (although some budgets do indeed reflect seasonal demand for the company's product).

58. B

Staffing the business. Human resources management is the process of planning, staffing, leading, and organizing the employees of a business. Staffing is an important function because hiring and keeping qualified employees will contribute to the success of the business. Employees who are capable and hard-working usually help the business to achieve its goals and be successful. It is not possible to completely eliminate turnover. Management usually decides if it needs to expand and create more jobs. Human resources management administers the compensation package, but it is not responsible for reducing compensation.

59. B

Treating all employees fairly. Ethics are the principles that govern an individual's behavior. These principles often involve making decisions and doing what is right. In human resources management, ethics usually involves doing what is right by treating all employees fairly. This includes providing equal opportunities and avoiding favoritism. The role of ethics in human resources management does not involve organizing employees into groups, planning the hiring process, or using resources wisely.

60. D

Learn their jobs. Current employees can help new employees learn their jobs and provide them with information about company procedures. Businesses often assign new employees to work with experienced employees who will be able to help train them and give them directions about job duties. Current employees usually are able to answer new employees' questions. New employees are expected to possess the work skills necessary to do the jobs for which they were hired. New employees negotiate contracts with businesses before starting to work.

61. C

Selling. This is a marketing function which involves determining client needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities. Determining an appropriate price range of products to show customers is part of the selling function. Pricing is a marketing function which involves determining and adjusting prices to maximize return and meet customers' perceptions of value.

Distribution is a marketing function which is responsible for the moving, storing, locating, and/or transferring ownership of goods or services. Marketing-information management involves gathering, accessing, synthesizing, evaluating, and disseminating information for use in making business decisions.

62. C

What the market will purchase. One aspect of determining the target market's buying behavior involves finding out what the market will purchase. Businesses need to know what the market wants in order to provide those products. If the target market does not want or need a business's products, the market will not buy even if the products are readily available and competitively priced. Finding out where the market is located, how the market is organized, and why the market exists are part of determining the target market rather than the target market's buying behavior.

63. C

Personal selling. Businesses can communicate with their target markets through personal selling. Budgeting, inventory, and operating procedures are not ways that businesses communicate with their target markets.

64. A

Access a database. A database is computerized storage for information and facts. Most businesses maintain a database of information that is relevant to the business, such as lists of customers and vendors, inventory levels, prices of materials, etc. When businesses need information, they access the database to obtain the data efficiently. For example, a business could access a database to find out how many customers in a certain area purchased a specific product during a specified time period. Scheduling an interview, reading a book, and contacting a competitor are not ways for businesses to obtain needed information efficiently.

65. C

Quality of information. For information to be useful, it must be accurate and current. Therefore, businesses evaluate the quality of information they obtain to determine if it is relevant to the issue, accurate, and current. Information that is out-of-date or that includes errors will not help the business. The business might make poor decisions based on using information that is of low quality. Businesses do not evaluate the research procedure, type of statistics, or hardware application to determine if data are accurate and current.

66. D

Privacy. Information management is the process of accessing, processing, maintaining, evaluating, and disseminating knowledge, facts, or data for the purpose of assisting business decision making. Some of this information may be personal data that businesses obtain about their employees, customers, suppliers, etc. Individuals have the right to expect that the privacy of their personal information will be maintained. Businesses that are ethical do everything they can to protect private information and make sure it is not misused or made available to unauthorized

users. Safety is freedom from danger or risk. Dignity is a high degree of calmness and self-possession. Equity is fairness.

67. C

Create a new revenue source. By selling its products from an additional location or source (the web site), the business creates an opportunity to reach more customers, which might result in more sales. Developing a web site does not necessarily reduce marketing expenses or lower taxes for the business. Product mix refers to the particular assortment of products that a business offers in order to meet the needs of its markets and its company goals.

68. A

Information systems. An information system is a method of gathering, storing, and analyzing data for the purpose of making business decisions. Businesses acquire vast amounts of information that must be stored and analyzed to make it useful. An effective information system enables a business to quickly and accurately process information and use that information to make decisions. Businesses do not develop operating procedures, survey methods, or management policies to be able to store and analyze data for the purpose of making business decisions.

69. C

Database. Database software programs are used to collect, sort, organize, and analyze information quickly. A cruise line would use database software to maintain a list of recent passengers and their cabin preferences. The cruise line could sort the information according to various factors, such as the passengers' addresses, and develop mailing lists to promote upcoming cruises. Spreadsheet software programs are used to organize financial information. Communication software programs are used to send information from one computer to another. Word-processing software programs are used for writing and editing documents.

70. D

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

71. A

Web editing. Creating and posting Web pages has become easier with advances in technology. Today, Web editing programs are available that are similar to word processor or desktop publishing programs. As a result, even small businesses can create and post Web pages to promote themselves and connect to customers. Businesses do not use desktop publishing, communications, or Internet access programs to create and post Web pages.

72. A

Varies greatly. The length of time that businesses use and store their records can vary greatly. Some businesses will use certain records indefinitely, while other businesses might maintain information on a seasonal basis or for only one year. The law often determines how long certain records must be maintained.

73. D

Political. The purpose of an environmental scan is to determine what conditions are affecting the business environment. The environmental scan helps the business to determine what, if any, changes it needs to make, so it remains competitive in the marketplace. Political considerations are important because government changes, such as a civil war or the presidential elections, could indicate the possibility of other changes that might affect a specific country's business environment, including economic, cultural, and technical changes.

74. B

Statistical findings. Statistics are information presented in numerical form. For the statistics to be useful, businesses must analyze and interpret them. For example, it may be important for businesses to find out how many customers are in certain age groups, and then convert those figures to percentages to determine which groups make the most purchases. By analyzing this type of statistical finding, businesses can make decisions about targeting certain groups to increase sales and profits. Businesses might analyze training results rather than training methods. They do not analyze information skills or privacy factors when making business decisions to improve the company.

75. B

Operations. Operations are the day-to-day activities required for continued business functioning. These activities include buying the necessary materials and supplies, hiring employees to do the work, maintaining the facilities, etc. Without these activities, there would be no business. Production is the process or activity of producing goods and services. Finances involve the funds needed to achieve the goals of the business. Selling is a marketing function that involves determining client needs and wants and responding through planned, personalized communication that influences purchase decisions and enhances future business opportunities.

76. D

Report workplace accidents. Certain governmental agencies have developed health and safety regulations that businesses are expected to follow in order to provide employees with a safe work environment. These regulations usually require businesses to report workplace accidents to the appropriate agency. The purpose of this requirement is to identify and correct unsafe working conditions, and to compensate workers who have been injured on the job. Health and safety regulations usually do not require businesses to inspect office facilities, hold regular safety meetings, or purchase fireproof supplies. However, safety-conscious businesses usually inspect their facilities to identify potential safety hazards. Also, businesses often hold regular safety meetings to keep employees informed.

77. B

Keep the aisles clear. The aisle should be clear of boxes, protruding objects, or anything that might cause someone to trip or fall. It is not always possible to warn all customers of possible hazards. Proper lighting or the installation of signs would be the responsibility of the business, not the employees.

78. B

Strain. While lifting the heavy boxes, Henry strained his back, which caused pain in his abdomen. A strain is an injury to muscles or tendons caused by stretching or tearing of the ligaments. Back and abdominal strains usually occur during the motions of lifting up and setting down heavy loads. Sprains are injuries caused by stretching or tearing ligaments at a joint in the body. Common types of sprains occur in ankles, fingers, wrists, and knees. Closed wounds are injuries in which the skin is not broken, but the tissue underneath is damaged. Open wounds are injuries involving a break in the skin. Open wounds include such injuries as scrapes, cuts, and punctures.

79. B

Setting goals. Project management involves planning, scheduling, and monitoring the progress of the project to achieve a specific goal. Therefore, one of the most important aspects of project management is developing a clear understanding of the project objectives, or goals. Once the goal has been set, the project manager guides the group to complete the project and accomplish the goal. Project managers seek employees who have the training and ability to participate in the project. It is not always necessary to buy supplies to complete a project. If mistakes occur, the project manager helps the group to correct the mistakes and continue the project.

80. B

Prepare a budget. Most projects have costs involved. Before identifying financial resources to cover these costs, first you need to get an accurate picture of what it will cost to do the project. The best way to do this is usually to prepare a budget, which is an estimate of what income and expenses will be for a specific time period, or for a specific project. Part of preparing a budget involves finding out what is free and what is not, and comparing the prices of items that you will need to buy. Asking an advisor may not be effective.

81. B

Prepare a satisfaction survey. When a business completes a project for a customer, it is important to involve the customer in the evaluation process to determine if the customer is satisfied with the results. One technique to use is to prepare a satisfaction survey, and have the customer complete the survey and include additional comments. For example, the survey might ask about the quality of work or the length of time involved in completing the project. Customers can rate the project based on their expectations in comparison to actual results. Customers often analyze a project proposal before hiring a business to complete a project. A business organizes the management team and determines the contract criteria before beginning a project.

82. D

Retail buyer. A retail buyer analyzes sales data, trends, and supplies when selecting products for the store to sell. The product manager oversees the development of new products. The marketing-research specialist conducts market studies which may ultimately aid the buyer in decision making. A receiving manager is responsible for supervising the acceptance, handling, and disbursement of orders.

83. B

Call for more time from employees to handle shipments. If employees are forced to spend more time handling certain shipments, workers might fall behind in the weekly schedule. Also, larger shipments might require employees to work overtime. Larger orders are sometimes less expensive, and they usually don't affect employees' wages. Moreover, there is no direct correlation between larger orders and unfair treatment. Employers would most likely not have untrained employees working on large shipments without supervision.

84. D

To identify the most capable suppliers. During the process of evaluating vendor performance, businesses are able to weed out those vendors that do not perform as promised. As a result, they are able to narrow their vendor list to include only those suppliers that are the most capable. The benefit is that businesses will know which vendors are most likely to perform well, even though this might mean buying from only a few suppliers. Businesses establish product specifications before contacting vendors. Businesses do not evaluate vendor performance to negotiate future discounts or to organize the receiving areas.

85. B

Labor-intensive. Production processes that use people more than machines to perform production tasks are labor-intensive. Labor-intensive processes often rely on the special skills of workers rather than on machines to do the work. Some farming jobs, such as fruit and vegetable picking, are examples of labor-intensive production processes because many people are needed to pick the crops that machines are unable to harvest. An assembly line is a fixed series of machines or work stations that produce products. Capital-intensive is the production process that uses more machines than people. The mass-production process produces large quantities of similar products.

86. B

Businesses lose profits. Employees who check incoming shipments of goods and put price tags on them can save the business money by doing their jobs carefully. Markers who incorrectly mark goods too high may cause the business to lose money because customers don't buy the overpriced items. If they mark them too low, the business loses the amount of profit it expected to make. Employees incorrectly marking prices on goods does not result in suppliers reducing shipments, creditors lowering interest rates, or insurers decreasing premiums.

87. C

Category. Maintaining stockrooms in an orderly manner benefits retailers because it is easier for them to keep track of their inventory. One way to arrange goods in an orderly manner is by

category. For example, a furniture store might store all the sofas in one area and all the lamps in another area. Another reason to store goods by category is because some stores sell items that should not be kept together, such as certain kinds of chemicals, or goods that need special storage, such as perishable items. Retailers usually do not arrange goods by vendor, quality, or price in order to maintain their stockrooms in an orderly manner.

88. D

It lets you make a statement about your independence and individuality. The clothes you select are important to your success on the job. Your dress should be appropriate for your job, your position, and the company you work for. Appropriate dress reflects positively on your company and shows your commitment to your employer. It also sends a positive message about you. Although your clothing choices may reflect your independence and individuality, how you choose to make a statement about yourself through your dress may or may not be appropriate and may or may not lead to your success on the job.

89. A

Set realistic goals. Your goals should be ambitious; however, if you set them too high, you will experience unnecessary frustration. Take advantage of all available resources to help you reach your goals. Vague, general goals are useless, as they do not give very much guidance for changing behavior. Only when the end results are positive will you be motivated to work toward a goal for a sustained length of time.

90. C

Objective. In order to solve problems, individuals need to be able to take an objective look at the situation and to identify the actual problem. They need to be open-minded and avoid jumping to conclusions. Being economical means knowing how to get the most from resources and would only be useful in dealing with financial problems. Being aggressive or judgmental could hinder the problem-solving process since these are both negative characteristics.

91. C

Careers. Self-understanding helps people to choose careers that are appropriate for their particular abilities. Each of us is born with a unique combination of abilities and aptitudes for certain skills. Understanding what those skills and abilities are usually helps people to choose careers for which they are well suited and in which they will be successful. People who understand themselves and their skills and abilities are not necessarily able to choose appropriate friends. Talents, the natural aptitudes that people are born with, are not chosen but may be developed. Traits are personal characteristics that make up an individual's personality.

92. C

Company policy manual. Policies are the general rules or expectations to be followed by company personnel. Often, businesses provide these rules in a publication, such as a manual. Issues such as absences, vacations, dress codes, and the personal use of e-mail or other office equipment are often addressed in a written form. Although it is possible to obtain information about an employer's expectations from the company web site, interoffice correspondence, and

coworkers, these options are not always the most reliable or the most accurate. In addition, some companies do not have web sites or do not use them to post workplace policies.

93. D

Freedom from discrimination. Discrimination is unfair treatment of a person or a group based on the person's or group's characteristics, e.g., race, religion, and gender. Workers have the right to not be discriminated against in the workplace. This applies to hiring new employees as well as the treatment of current employees. For example, workers should have equal opportunities for advancement and not be discriminated against in the promotion process simply because they are female. Flexible work schedules are offered by some businesses, but that is not a right that workers should expect. Employees are entitled to a certain amount of personal time but not unlimited personal time. Employees usually have access to only the company information that they need in order to do their jobs.

94. B

Family and friends. Family and friends often are the best source of information about job leads because they may know of openings at their own places of employment. Also, they have other contacts within the business community and may be able to refer job seekers to their associates who may have available positions. Business advisors usually provide guidance and assistance to businesses. The Occupational Outlook Handbook describes the various types of jobs available in the workplace but does not provide job leads. The Bureau of Labor Statistics analyzes current data to project what types of jobs will be needed in the future but does not offer leads.

95. C

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

96. D

Spelling. The words "advertisement" and "apply" were misspelled in the opening paragraph. These errors will create a negative impression on the employer. Before submitting a letter of application, you should check for correct spelling, grammar, and punctuation. The opening paragraph does explain the reason that you are writing the letter—the purpose of the opening paragraph.

97. B

To organize the information so that it is easy to read. The use of headings on résumés saves readers time in reviewing résumés because it enables them to focus immediately on the specific areas of interest. They need not take unnecessary time digging through information to determine whether an applicant is qualified for a position. The use of headings does not ensure that the

information in the résumé is complete, accurate, or concise. Although most applicants use headings on their résumés, they do so to organize the information rather than to follow standard practices.

98. A

Having paid work experience. Many people gain valuable work-related experience by being volunteers for nonprofit organizations, such as hospitals, nursing homes, schools, and community-service organizations. Volunteering is one way that individuals can participate in activities that are similar to having paid work experience because many people entering the labor market for the first time do not have a lot of paid work experience. Businesses often consider any volunteer work that the applicants may have done as an equivalent to paid work experience. Being a volunteer is not a way for an individual to participate in activities that are similar to joining a trade association, monitoring a training program, or attending an employment seminar.

99. D

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

100. C

Information. Information is knowledge, facts, or data, and it is an important resource for a business. Sales statistics are a type of information. A sales forecast is a prediction of what a firm's sales will be during a specific future time period using a certain marketing plan. Financial resources are all the sources of money available to the business. Material resources are equipment and supplies used by businesses in their operation. Human resources are people who work to produce goods or services.