

# Business Administration

## Core Exam

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

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1. Marsha wants to invest her savings in a business. However, she wants to protect all of her personal assets. Which type of business ownership would be most appropriate for Marsha?
  - A. Partnership
  - B. Franchise
  - C. Corporation
  - D. Sole proprietorship
2. What should business employees possess in order to extract relevant information from written materials?
  - A. Ability to listen
  - B. Limited vocabularies
  - C. Good reading skills
  - D. Effective speaking voice
3. It is effective to follow a step-by-step order when applying written directions to
  - A. take notes.
  - B. give commands.
  - C. read materials.
  - D. achieve tasks.
4. Which of the following statements about following directions is true:
  - A. Most people don't need to ask questions about directions.
  - B. Restating directions in your own words helps clarify them.
  - C. Hearing directions is the same as listening to them.
  - D. You should avoid taking notes while listening to directions.
5. Which of the following is an example of a barrier to effective listening:
  - A. Manager is using audiovisuals.
  - B. Employee is thinking of an answer.
  - C. Employee is taking a few notes.
  - D. Manager is explaining technical data.
6. An important reason that face-to-face, verbal communication is an effective method of communication in business is that it provides the opportunity to
  - A. interact with other personalities.
  - B. have a record of the exchange.
  - C. clarify the information exchanged.
  - D. exchange ideas very quickly.
7. When giving verbal directions to employees about how to complete a task, it is often helpful to
  - A. use complex words.
  - B. speak softly.
  - C. use visuals.
  - D. limit body language.
8. Before DiAnn presents her new idea to her boss, she searches the Internet and jots down two statistics that reinforce the idea. This is an example of
  - A. supporting ideas with research.
  - B. trying to impress the boss.
  - C. giving alternative ideas.
  - D. clarifying a new idea.
9. Which of the following is a general guideline for answering the telephone in a businesslike manner:
  - A. Take immediate action on the caller's request
  - B. Address the caller by his/her first name
  - C. Identify the firm or department and yourself
  - D. Record the correct spelling of each caller's name
10. Why do businesses often make it possible for employees to meet during work time and participate in group discussions?
  - A. To share many different opinions
  - B. To discuss personal issues
  - C. To plan extracurricular activities
  - D. To have casual conversations
11. 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
  - B. To understand the purpose of the report
  - C. To identify the target audience
  - D. To arrange findings in a logical manner
12. Which of the following is an example of a textual graphic that often is used in a business report:
  - A. Flowchart
  - B. Pictograph
  - C. Map
  - D. Pie chart

13. Which of the following is a type of written communication that a business uses:
- A. Exit interview
  - B. Collection letter
  - C. Oral report
  - D. Card catalog
14. Which of the following are elements that appear in the heading of a memorandum:
- A. Company, to, subject, and date
  - B. To, title, from, and date
  - C. Date, title, to, and company
  - D. To, from, date, and subject
15. The part of a business letter that follows the inside address is the
- A. dateline.
  - B. signature line.
  - C. salutation.
  - D. body.
16. One of the most effective ways for employees to communicate with management is to
- A. talk to management personnel during their lunch time.
  - B. call management personnel at home.
  - C. give their messages to friends of management.
  - D. drop notes in a suggestion box.
17. Megan's company holds a monthly staff meeting. As a new employee, she is very excited to hear her coworkers report on their projects during the meetings. Hearing about the projects often causes Megan to think of new projects that the company could work on. How should Megan communicate these new ideas?
- A. In a hushed voice, tell her manager about the new idea.
  - B. Wait until her coworker has finished speaking and then propose her new idea.
  - C. Write down the idea. After the meeting, ask her manager if it can be added to the agenda of a future staff meeting.
  - D. Write down the new idea and pass the note to her coworker so that the idea is shared without interrupting the meeting.
18. An employee approaches a regular customer who appears to be looking for a specific item and says, "Good morning, Mr. Hinkle, may I direct you to a particular product?" Is this the most appropriate way to deal with that customer?
- A. No, employees are too busy to pay attention to only one customer.
  - B. Yes, employees should be well informed and able to help customers.
  - C. Yes, employees should always greet customers and call them by name.
  - D. No, employees are not expected to have conversations with customers.
19. How do service-oriented companies often improve their levels of service?
- A. By evaluating internal product development procedures
  - B. By requesting input through employee and customer surveys
  - C. By providing customers with product testimonials
  - D. By conducting a feasibility analysis for company expansion
20. Which of the following is an example of a customer inquiry about a product that an employee might need product knowledge in order to handle:
- A. "Is financing available?"
  - B. "Is it designed to last?"
  - C. "Is delivery included?"
  - D. "Is there a return policy?"
21. Businesses often evaluate and change their policies as a result of \_\_\_\_\_ customers.
- A. creating good relations with
  - B. satisfying their
  - C. acquiring new
  - D. getting feedback from
22. A salesperson is having to take a very active role in order to complete a sale in a reasonable length of time. With what type of difficult customer is the salesperson working?
- A. Suspicious
  - B. Slow/Methodical
  - C. Disagreeable
  - D. Dishonest

23. When handling customer complaints, no matter what action is taken, employees must be
- A. able to agree with the customer's point of view.
  - B. willing to make an adjustment.
  - C. willing to try the customer's solution.
  - D. courteous and display concern.
24. Which of the following includes the buildings, tools, and machines used in the production of goods:
- A. Labor
  - B. Capital goods
  - C. Management
  - D. Natural resources
25. As prices decrease, consumer demand usually
- A. stabilizes.
  - B. stays the same.
  - C. decreases.
  - D. increases.
26. Assume that the equilibrium price for a product is \$300. If the price of the product is then set at \$400, which of the following will most likely occur:
- A. Decreased supply
  - B. Excess demand
  - C. Price rationing
  - D. Excess supply
27. Recruiting, selecting, and hiring employees are business activities that are usually the responsibility of \_\_\_\_\_ management.
- A. human resources
  - B. information
  - C. operations
  - D. strategic
28. When employees are working faster or better, they are increasing their
- A. value.
  - B. wages.
  - C. benefits.
  - D. efficiency.
29. During the summer, wildfires swept through Montana and consumed many homes and businesses. Business owners rebuilt their businesses because they believed that the risk involved with wildfires was "just part of doing business in Montana." Which type of risk did the business owners encounter?
- A. Natural
  - B. Economic
  - C. Human
  - D. Incompetence
30. Which of the following is not one of the four main idealized market structures used in trade theory:
- A. Perfect competition
  - B. Perfect monopoly
  - C. Monopoly
  - D. Monopolistic competition
31. As the size and power of U.S. businesses have increased over time, the federal government's involvement in the U.S. economy has
- A. increased.
  - B. become unimportant.
  - C. stayed the same.
  - D. decreased.
32. Improved efficiency in the workplace usually increases
- A. unemployment.
  - B. selling prices.
  - C. labor costs.
  - D. productivity.
33. Which of the following is a true statement about emotional intelligence:
- A. Emotional intelligence means ignoring your emotions.
  - B. Emotional intelligence can be defined in different ways.
  - C. Emotional intelligence means being an emotional person.
  - D. Emotional intelligence is less important than traditional intelligence.
34. An employer who thinks that all young people are lazy and poorly trained is an example of
- A. harassment.
  - B. discrimination.
  - C. hostility.
  - D. prejudice.

35. Which of the following is a characteristic of self-confidence:
- A. Dismissing compliments
  - B. Having a suspicious attitude
  - C. Willing to take positive risks
  - D. Criticizing others' ideas
36. Nonverbal communication includes body language, which often indicates the level of a person's
- A. enthusiasm.
  - B. ability.
  - C. education.
  - D. intelligence.
37. Why is responsible behavior at home different from responsible behavior at school?
- A. It's easier to get away with irresponsible behavior at home.
  - B. Parents always have higher expectations than teachers do.
  - C. Acting responsibly depends on where you are.
  - D. The rules at school are always stricter than the rules at home.
38. Qualified employees who behave unethically on the job may harm themselves by being
- A. held legally responsible.
  - B. sent to a training program.
  - C. passed over for promotions.
  - D. rotated to similar positions.
39. Even when things are not going well for Mark, he still believes everything will work out all right. Mark has a(n) \_\_\_\_\_ attitude.
- A. superior
  - B. indifferent
  - C. positive
  - D. negative
40. Self-control can help you to develop a positive attitude by helping you to
- A. eliminate negative ways of thinking.
  - B. dwell on the fact that life is full of difficulties.
  - C. think before you make a response.
  - D. substitute negative thoughts for positive ones.
41. Your employer criticized a mistake you made on the job. In order to improve, you must
- A. return the criticism.
  - B. ignore the criticism.
  - C. change jobs.
  - D. change your behavior.
42. An increase in the amount of income tax people must pay is a change brought about by
- A. society.
  - B. individuals.
  - C. government.
  - D. technology.
43. Why is accepting your own emotions an important step in developing empathy?
- A. You must know your own emotions to give good advice.
  - B. You must determine if you are in agreement with the other person.
  - C. You must develop your own opinions of other people.
  - D. You must feel your own emotions before you can detect them in others.
44. Gestures are classified as part of \_\_\_\_\_ communication.
- A. written
  - B. nonverbal
  - C. verbal
  - D. audiovisual
45. When confronting another person about a conflict, it is important to avoid
- A. using "you" statements.
  - B. being objective.
  - C. using "I" statements.
  - D. listening to feedback.
46. Frank has a good understanding of his own emotions. What component of emotional intelligence does Frank demonstrate?
- A. Social management
  - B. Self-management
  - C. Social awareness
  - D. Self-awareness

47. What should Michelle do to become an adaptable person?
- A. Learn to become comfortable with the idea that new situations occur
  - B. Stay within her personal "comfort zone"
  - C. Remember that avoidable situations usually happen quickly
  - D. Respond to new circumstances with doubt and opposition
48. Achievement-oriented people rely on \_\_\_\_\_ to set the standards for their work.
- A. their bosses
  - B. their followers
  - C. their co-workers
  - D. themselves
49. Why is it important for team members to feel a sense of "ownership" in the vision?
- A. It's the only way they will become committed to it.
  - B. Management cannot force compliance from them.
  - C. They cannot be creative otherwise.
  - D. They are responsible for determining the vision.
50. What is an example of illegal conduct on the job?
- A. Sexual harassment
  - B. Reading the newspaper
  - C. Sleeping
  - D. Arriving late
51. To delay payment when buying business supplies from a web site, a purchaser is most likely to pay for the goods with a(n) \_\_\_\_\_ card.
- A. debit
  - B. credit
  - C. ATM
  - D. store-value
52. Which of the following is NOT a name for a medium of exchange accepted and backed by the government as payment for goods and services:
- A. Legal tender
  - B. Credit cards
  - C. Currency
  - D. Bonds
53. Every two weeks, Jana receives an automatic deposit in her checking account from her employer for work she has performed. This is an example of which form of income:
- A. Dividends
  - B. Rent
  - C. Interest
  - D. Wages
54. The chief advantage of offering retail credit is to
- A. lower operating costs.
  - B. decrease record keeping.
  - C. increase sales volume.
  - D. increase business hours.
55. Lyla is applying for a loan to buy a house for the first time. Which of the following should she be certain to do when applying for the loan:
- A. Overstate her assets
  - B. Read all paperwork carefully
  - C. Sign blank documents
  - D. Inaccurately report her debts
56. Don has worked at a factory for over 30 years and is looking forward to his retirement. Which of the following is the best way for him to insure a financially secure retirement:
- A. Retire later than planned
  - B. Count on receiving an inheritance
  - C. Ignore his factory's savings plan
  - D. Save more than he spends
57. Financial planning is important because it can help you do all of the following *except*:
- A. Meet needs and wants
  - B. Understand economics and finance
  - C. Influence the future
  - D. Recognize the importance of income

58. Chloe is preparing her income tax return for the first time. She is a receptionist, does not own any land or real estate, and has not inherited any money from a deceased relative within the last tax year. She will only be taxed on
- A. property.
  - B. earnings.
  - C. wealth.
  - D. purchases.
59. Which of the following pieces of information appears on a check:
- A. The payer's credit score
  - B. The payer's credit account number
  - C. The name of the payee's bank
  - D. The payee's name
60. Caitlin has three credit cards. She receives her credit-card statement for one of the cards and has to decide how to pay the \$500 she spent with that card. To pay the least for use of the credit, she should pay with \_\_\_\_\_ and make the \_\_\_\_\_ payment.
- A. another card; full
  - B. cash; minimum
  - C. cash; full
  - D. another card; minimum
61. Which of the following statements about credit unions is NOT true:
- A. A credit union is operated democratically.
  - B. A credit union is owned by its members.
  - C. A credit union's members traditionally have a common bond.
  - D. A credit union is controlled by a paid board of directors.
62. What is an important consideration when selecting a financial-services provider?
- A. Office location
  - B. Fee structure
  - C. Tax status
  - D. Gross income
63. What kind of insurance protects you from loss if you let someone drive your car and that person has an accident?
- A. Property
  - B. Health
  - C. Liability
  - D. Whole-life
64. Businesses use the information collected through the accounting process to prepare accurate
- A. promissory notes.
  - B. purchase orders.
  - C. inventory forms.
  - D. balance sheets.
65. The role of finance in business often involves
- A. buying supplies.
  - B. paying employees.
  - C. obtaining funds.
  - D. monitoring expenses.
66. The part of staffing that involves seeking out and attracting qualified potential job candidates is called
- A. interviewing.
  - B. training.
  - C. on-boarding.
  - D. recruiting.
67. A business that sends discount coupons to potential customers is using the \_\_\_\_\_ function of marketing.
- A. financing
  - B. promotion
  - C. selling
  - D. product/service management
68. Businesses assess their information needs to determine the type of information that will help them deal with
- A. job applicants.
  - B. specific problems.
  - C. personal relationships.
  - D. ethical issues.
69. Determining if data are accurate and current is an example of a business evaluating the
- A. research procedure.
  - B. quality of information.
  - C. type of statistics.
  - D. hardware application.

70. So the company can make wise business decisions, it is important for the company to effectively manage its
- A. markets.
  - B. ratings.
  - C. information.
  - D. demand.
71. A wholesale distributor would like to track its customers geographically. Which software application would be most effective?
- A. Word processing
  - B. Spreadsheet
  - C. Internet
  - D. Database
72. An employee receives an e-mail message from his supervisor and needs to pass the message on to a coworker. The most efficient way for the employee to communicate the information to his coworker is by
- A. printing the message and handing the copy to the coworker.
  - B. sending the message by clicking on the reply box.
  - C. posting the message in a secured e-mail folder.
  - D. forwarding the message to the coworker's e-mail address.
73. An electronic planning device that many employees use to keep track of their activities is an example of a
- A. web-based program.
  - B. communication system.
  - C. time-management tool.
  - D. presentation application.
74. When conducting a web search, keywords entered into the query field should
- A. be very broad or general.
  - B. be entered as all lower case letters.
  - C. be as specific as possible.
  - D. contain fewer than 10 characters.
75. Which of the following is a capability of a presentation software program:
- A. Combining animation and sound
  - B. Copying and printing documents
  - C. Connecting several computers
  - D. Calculating mathematical data
76. Which of the following is a way that businesses often use database software programs:
- A. To prepare promotional material
  - B. To calculate weekly payroll
  - C. To diagram work schedules
  - D. To organize vendor information
77. Computer programs that allow businesses to manage all types of activities, such as inventory control and finance, are known as
- A. interactive information display packages.
  - B. electronic communications programs.
  - C. integrated software application packages.
  - D. wireless connectivity programs.
78. The primary purpose of groupware computer software is to
- A. provide managers with the ability to monitor employees' behavior.
  - B. allow employees to have access to the same information.
  - C. support customers and employees by providing ongoing training.
  - D. encourage businesses to increase their market share and profits.
79. When designing a web page, the basic elements on the first screen should include
- A. large graphics that capture the reader's attention.
  - B. an overview of the content that is visually interesting.
  - C. highly detailed information about the page sponsor.
  - D. small graphics and a variety of typefaces for visual balance.
80. Certain health and safety regulations require many types of businesses to
- A. install security cameras.
  - B. purchase new machinery.
  - C. offer exercise programs.
  - D. routinely inspect equipment.



81. What should businesses do to help employees follow instructions for the use of equipment and machinery?
- A. Provide training
  - B. Display first aid posters
  - C. Install sprinkler system
  - D. Require hand washing
82. Carl wanted to show his coworkers how strong he is by trying to carry several cases while unloading a truck in the receiving area. He stumbled and dropped two of the cases, ruining the contents and hurting his back. What type of safety hazard should his evaluation reflect?
- A. Strain
  - B. Fatigue
  - C. Stress
  - D. Horseplay
83. In order to handle workplace accidents effectively, employees need to
- A. memorize the Good Samaritan Law.
  - B. understand the accident report form.
  - C. have formal medical training.
  - D. know the proper way to respond.
84. The first step that an employee should take when an emergency occurs at work is to
- A. call the police department.
  - B. evaluate the situation.
  - C. leave the building.
  - D. activate the fire alarm.
85. Obtaining a line of goods for use in a business is one of the functions of
- A. selling.
  - B. purchasing.
  - C. organizing.
  - D. controlling.
86. The primary reason that the DEF Company, a small consulting firm, monitors its supply of paper, pens, and staples is to make sure that it
- A. has enough stock on hand to sell to its customers.
  - B. does not have to pay for unnecessary storage costs.
  - C. obtains deep, bulk discounts for the items and gets free shipping.
  - D. has enough items on hand to run the business smoothly.
87. Which of the following is an efficient method of producing a large quantity of a small number of products:
- A. Mass production
  - B. Continuous processing
  - C. Job-shop processing
  - D. Project manufacturing
88. If you are in doubt about selecting an item of clothing for work, it is usually best to choose the one that is
- A. conservative.
  - B. highly advertised.
  - C. a current fad.
  - D. most eye-catching.
89. What effect does orderly and systematic behavior have on stress in the workplace?
- A. Creates stress
  - B. Increases stress
  - C. Reduces stress
  - D. Maintains stress
90. Which basic of goal setting may take some time to accomplish?
- A. Visualizing your goal
  - B. Breaking your goal down
  - C. Choosing your goal
  - D. Writing your goal down
91. A person stopping to buy a bouquet of flowers from a street vendor is making a(n) \_\_\_\_\_ decision.
- A. urgent
  - B. important
  - C. routine
  - D. major
92. When employees arrive at work on time and perform tasks efficiently, they are
- A. ensuring that the workplace is safe.
  - B. evaluating their employers' policies.
  - C. meeting their employers' expectations.
  - D. making suggestions for improvement.

93. Which of the following is a source of career information that is available to individuals at all times:
- A. School counselors
  - B. Employment agencies
  - C. Local libraries
  - D. Internet web sites
94. What should individuals take into consideration when researching employment opportunities in business?
- A. Future outlook
  - B. Vacation time
  - C. Office environment
  - D. Safety program
95. Which of the following is **not** a way that entrepreneurship helps our society:
- A. Grows the economy
  - B. Creates new jobs
  - C. Reduces taxes
  - D. Saves us money
96. A source of employment information that can be used free of charge by everyone is a public employment agency, which is operated by
- A. private employers.
  - B. the school system.
  - C. local businesses.
  - D. the government.
97. What is it important for an applicant to do during a job interview in order to be able to answer questions adequately?
- A. Respond quickly
  - B. Talk rapidly
  - C. Listen carefully
  - D. Dress appropriately
98. The purpose for writing a letter of application is to introduce yourself and to
- A. schedule a time for an interview.
  - B. explain your salary requirements.
  - C. describe your résumé in detail.
  - D. express your interest in the job opening.
99. Which of the following often makes it necessary for workers to continue their education and obtain training to pursue different careers:
- A. Advances in technology
  - B. Increases in responsibility
  - C. Changes in geography
  - D. Limits to confidentiality
100. Which of the following is an important function of mid-level management:
- A. To serve as a link between top-level and first-line management
  - B. To prepare workers' daily schedules
  - C. To make sure projects meet deadlines
  - D. To establish long-term objectives for the first-line management company